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Sabine Parish Communications District

Many, Louisiana

FINANCIAL REPORT

TWO YEARS ENDED JUNE 30, 1996

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 3-26-97

Eugene W. Fremaux II

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Sabine Parish Communications
District
Many, Louisiana

I have audited the accompanying component unit financial statements of the Sabine Parish Communications District, Many, Louisiana, a component unit of the Sabine Parish Police Jury, State of Louisiana, and the individual fund and account group financial statements of the Sabine Parish Communications District, Many, Louisiana, as of June 30, 1996 and for the two years then ended. These financial statements are the responsibility of the Sabine Parish Communications District's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, the component unit financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Sabine Parish Communications District, Many, Louisiana, a component unit of the Sabine Parish Police Jury, State of Louisiana, as of June 30, 1996, and the results of its operations, and changes in fund balance for the two years then ended in conformity with generally accepted accounting principles. Also, in my opinion, the individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of the individual fund and account group of the Sabine Parish Communications District at June 30, 1996, and the results of the operations of such funds for the two years then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated December 23, 1996 on my consideration of the Sabine Parish Communications District, Many, Louisiana's internal control structure and a report dated December 23, 1996 on its compliance with laws and regulations.



EUGENE W. FREMAUX II, CPA

December 23, 1996

COMPONENT UNIT FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
COMBINED BALANCE SHEET – ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1996

ASSETS	GOVERNMENT FUND TYPE GENERAL FUND	ACCOUNT GROUP GENERAL FIXED ASSETS	TOTALS (MEMORANDUM ONLY)
Cash	\$49,831	\$0	\$49,831
Accounts receivable	7,668	0	7,668
Prepaid insurance	1,082	0	1,082
General fixed assets:			
Equipment	0	24,039	24,039
Software	0	4,400	4,400
Signs	0	49,699	49,699
Dispatch office improvements	0	17,571	17,571
Automobile	0	8,409	8,409
	<u>0</u>	<u>8,409</u>	<u>8,409</u>
Total assets	<u>\$58,581</u>	<u>\$104,118</u>	<u>\$162,699</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	<u>\$1,644</u>	<u>\$0</u>	<u>\$1,644</u>
Total liabilities	<u>1,644</u>	<u>0</u>	<u>1,644</u>
Fund equity:			
Investment in general fixed assets	0	104,118	104,118
Fund balance – unreserved	<u>56,937</u>	<u>0</u>	<u>56,937</u>
Total fund equity	<u>56,937</u>	<u>104,118</u>	<u>161,055</u>
Total liabilities and fund balance	<u>\$58,581</u>	<u>\$104,118</u>	<u>\$162,699</u>

The accompanying notes are an integral part of these statements.

SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE –
GOVERNMENTAL FUND TYPE
GENERAL FUND
Two years ended June 30, 1996

Revenues:	
911 user fees:	
South Central Bell	\$170,212
Campti–Pleasant Hill	
Telephone Company, Inc.	9,663
Sabine Parish Police Jury	43,104
Miscellaneous income	1,709
Interest income	2,359
	<u>227,047</u>
Expenditures:	
General government:	
Personnel costs	80,559
Telephone equipment rental and service	54,514
Canvassing	894
Insurance	2,598
Postage	1,552
Automobile expense	2,818
Telephone	780
Collection fees	1,799
Supplies	4,338
Other costs	1,813
	<u>151,665</u>
Capital outlay	88,318
	<u>239,983</u>
Excess (deficiency) of revenues over expenditures	(12,936)
Fund balance, July 1, 1994	69,873
Fund balance, June 30, 1996	<u>\$56,937</u>

The accompanying notes are an integral part of these statements.

SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

(1) Summary of significant accounting policies

The Sabine Parish Communications District, Many, Louisiana, was created on June 19, 1991 by an ordinance of the Sabine Parish Police Jury to provide an Enhanced Emergency 911 Service for Sabine Parish. The Commission is a political subdivision of the Sabine Parish Police Jury, whose jurors are elected officials. This report includes all funds and account groups which are controlled by or dependent on the Board of Commissioners of the Sabine Parish Communications District. Control by or dependence on the District was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility. Based on this criteria, there is no other governmental body that should be included in these statements. The accompanying financial statements consist only of the fund and account group of the Sabine Parish Communications District and do not present information on the Sabine Parish Police Jury.

The accounting and reporting practices of the Sabine Parish Communications District conform to generally accepted accounting principles as applicable to governmental units. Such accounting and reporting procedures also conform to the general requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Governmental Audit Guide, and to the industry audit guide, Audits of State and Local Governmental Units, published by the American Institute of Certified Public Accountants.

The following is a summary of certain significant accounting policies and practices the District now follows:

Fund accounting - The accounts of the Communications District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of the general fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds are grouped in this report into one generic fund type and one broad fund category as follows:

Governmental Fund -

 General Fund -

 The general fund is the general operating fund of the District. It is used to account for all financial resources of the Communications District.

Fixed assets - The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. The general fund is accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on its balance sheet. Its reported fund balance is considered a measure of "available spendable resources".

Fixed assets used in general fund operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the general fund when purchased. No depreciation has been recorded on general fixed assets.

All fixed assets are valued at historical cost.

This account group is not a "fund". It is concerned only with the measurement of financial position. It is not involved with measurement of results of operation.

SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

(1) Summary of significant account policies (continued)

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 general fund is accounted for using the modified accrual basis of accounting. Revenues are recognized when they become available as net current assets. Tariff fees, intergovernmental revenues, and interest are accrued when their receipt occurs soon enough after the end of the accounting period to be both measurable and available.

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

Budget practices - The District prepares and adopts an annual budget, the dollar amounts being allocated to the various expenditure categories based upon the total amount of anticipated revenues. All expenditures in excess of budgeted amounts were approved by the District, even though never formally incorporated in the budget by amendment. Budget appropriations lapse at the end of each year.

Total columns on combined statements - overview - Total columns on the combined statements - overview are captioned "MEMORANDUM ONLY" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

(2) Pending litigation

The Sabine Parish Communications District is not involved in any litigation at June 30, 1996.

(3) 911 user fee

The District is authorized to levy and collect a fee based on telephone tariffs in Sabine Parish to provide funding. The District has entered into agreements with South Central Bell and Campti-Pleasant Hill Telephone Company, Inc. to collect a 5% fee beginning January 1, 1992. The telephone companies charge the District a 1% fee for this collection service.

(4) Personnel costs

The District's employees are paid by the Sabine Parish Sheriff and the Sheriff is reimbursed by the District for the related payroll costs, including payroll taxes and medical insurance.

(5) Facility costs

The District's office is located in the Sabine Parish Courthouse in Many, Louisiana. Expenditures for operation and maintenance of the parish courthouse, as required by Louisiana law, are paid by the Sabine Parish Police Jury.

(6) Operations

The District's 911 service became operational in October 1995.

The District operates as a political subdivision created by the Sabine Parish Police Jury, therefore it is exempt from income tax and is not required to file an annual information return.

SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

(7) Accounts receivable

Accounts receivable at June 30, 1996, consisted of fees due from telephone companies for June 1996 in the amount of \$7,668.

(8) Leases

On August 26, 1994 the District entered into a lease agreement with BellSouth Business Systems for \$1,530 per month for equipment and services needed to provide 911 service. The lease term is for one year, with annual renewal options. Additional agreements with BellSouth have been entered into for database maintenance and trunk lines which bring the total monthly commitment to \$3,125.

(9) Cash

All bank deposits are fully secured through federal depository insurance.

(10) Changes in general fixed assets

During the two years ended June 30, 1996 there were the following additions to general fixed assets:

Equipment	\$16,648
Software	4,400
Signs	49,699
Dispatch office	17,571

	\$88,318
	=====

(11) Compensation of commissioners

The directors received no compensation or per diem during the two years ended June 30, 1996.

FINANCIAL STATEMENTS
OF INDIVIDUAL FUND
AND ACCOUNT GROUP

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
GENERAL FUND
BALANCE SHEET
JUNE 30, 1996

ASSETS

Cash	\$49,831
Accounts receivable	7,668
Prepaid insurance	<u>1,082</u>
Total assets	<u>\$58,581</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	<u>\$1,644</u>
Total liabilities	<u>1,644</u>
Fund balance -- unreserved	<u>56,937</u>
Total liabilities and fund balance	<u>\$58,581</u>

The accompanying notes are an integral part of these statements.

SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE --
BUDGET (GAAP BASIS) AND ACTUAL
Two years ended June 30, 1996

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
911 user fees:			
South Central Bell	\$166,392	\$170,212	\$3,820
Campti-Pleasant Hill			
Telephone Company, Inc.	7,608	9,663	2,055
Sabine Parish Police Jury	0	43,104	43,104
Miscellaneous income	0	1,709	1,709
Interest income	0	2,359	2,359
Total revenues	<u>174,000</u>	<u>227,047</u>	<u>53,047</u>
Expenditures:			
General government:			
Personnel costs	84,344	80,559	3,785
Telephone equipment rental and service	69,390	54,514	14,876
Canvassing	0	894	(894)
Insurance	2,600	2,598	2
Postage	0	1,552	(1,552)
Automobile expense	0	2,818	(2,818)
Telephone	0	780	(780)
Collection fees	0	1,799	(1,799)
Supplies	0	4,338	(4,338)
Other costs	10,176	1,813	8,363
Total general government	<u>166,510</u>	<u>151,665</u>	<u>14,845</u>
Capital outlay	<u>56,393</u>	<u>88,318</u>	<u>(31,925)</u>
Total expenditures	<u>222,903</u>	<u>239,983</u>	<u>(17,080)</u>
Excess (deficiency) of revenues over expenditures	(48,903)	(12,936)	35,967
Fund balance, July 1, 1994	<u>69,873</u>	<u>69,873</u>	<u>0</u>
Fund balance, June 30, 1996	<u>\$20,970</u>	<u>\$56,937</u>	<u>\$35,967</u>

The accompanying notes are an integral part of these statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets used in general fund operations.

EXHIBIT E

SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
STATEMENT OF GENERAL FIXED ASSETS
JUNE 30, 1996

General fixed assets, at cost:	
Equipment	\$24,039
Software	4,400
Signs	49,699
Dispatch office improvements	17,571
Automobile	8,409
	<hr/>
Total general fixed assets	<u>\$104,118</u>
Investment in general fixed assets:	
General fund revenues	\$61,014
Sabine Parish Police Jury	43,104
	<hr/>
	<u>\$104,118</u>

EXHIBIT F

SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
Two years ended June 30, 1996

	Beginning Balance	Additions	Deletions	Ending Balance
Equipment	\$7,391	\$16,648	\$0	\$24,039
Software	0	4,400	0	4,400
Signs	0	49,699	0	49,699
Dispatch office improvements	0	17,571	0	17,571
Automobile	8,409	0	0	8,409
	<hr/>	<hr/>	<hr/>	<hr/>
Total general fixed assets	<u>\$15,800</u>	<u>\$88,318</u>	<u>\$0</u>	<u>\$104,118</u>

The accompanying notes are an integral part of these statements.

Certified Public Accountant

Many, Louisiana 71449
318-256-0332

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH LAWS AND REGULATIONS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS ISSUED BY THE GAO

The Board of Commissioners
Sabine Parish Communications
District
Many, Louisiana

I have audited the component unit financial statements of the Sabine Parish Communications District, Many, Louisiana, as of June 30, 1996 and for the two years then ended, and have issued my report thereon dated December 23, 1996.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

I noted certain immaterial instances of noncompliance that I have report to the management of the District in a separate letter dated December 23, 1996.

This report is intended for the information of management and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



EUGENE W. FREMAUX II, CPA

December 23, 1996

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE RELATED MATTERS NOTED IN A FINANCIAL
STATEMENT AUDIT CONDUCTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Board of Commissioners
Sabine Parish Communications
District
Many, Louisiana

I have audited the component unit financial statements of the Sabine Parish Communications District, Many, Louisiana, as of June 30, 1996 and for the two years then ended, and have issued my report thereon dated December 23, 1996.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the Sabine Parish Communications District is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management 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 management 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 management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitation 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 my audit of the financial statements of the Sabine Parish Communications District for the two years ended June 30, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific 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 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. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above.

This report is intended solely for the use of management and the Legislative Auditor of the State of Louisiana and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



EUGENE W. FREMAUX II, CPA

December 23, 1996

The Board of Commissioners
Sabine Parish Communications
District
Many, Louisiana

In connection with my audit of the component unit financial statements of the Sabine Parish Communications District, Many, Louisiana for the two years ended June 30, 1996, I offer the following observations and recommendations, which are intended to help improve the operations of the District and are to be constructive in nature:

1. Existing condition

The budget for the two years ended June 30, 1996 was not amended as required by Louisiana law. The law requires that the budget be amended if actual expenditures plus projected expenditures for the remainder of the year, within a fund, are exceeding estimated budgeted expenditures by five percent or more. Actual expenditures in the General Fund exceeded the budgeted amount by seven percent. The excess expenditures primarily related to the cost of installing street signs in the parish and were approved by the District Board, however the budget was not formally amended to reflect these expenditures. Funding for installation fo the street signs was obtained from the Sabine Parish Police Jury.

Recommended action

The Treasurer should monitor the actual results versus the budget on a monthly basis and notify the Board if a situation is expected to arise whereby the budget should be amended.

Management response

The Treasurer will monitor the budget on a monthly basis and made needed recommendations to the Board for appropriate amendments.

* * * * *

The above observations and recommendations are not all inclusive. I would like to thank you for your cooperation during my engagement.

Sincerely,



EUGENE W. FREMAUX II, CPA

December 23, 1996