

Sabine Parish Communication District

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2003



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Eugene W. Fremaux II

Certified Public Accountant

SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
JUNE 30, 2003

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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, 2003 and for the year 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 auditing standards generally accepted in the United States of America 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, 2003, and the results of its operations, and changes in fund balance for the year then ended in conformity with accounting principles generally accepted in the United States of America. 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, 2003, and the results of the operations of such funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued a report dated September 26, 2003 on my consideration of the Sabine Parish Communications District, Many, Louisiana's internal control over financial reporting and my tests on its compliance with certain provision of laws, regulations and contracts. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.



EUGENE W. FREMAUX II, CPA
September 26, 2003

SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2003

	GOVERNMENT FUND TYPE GENERAL FUND	ACCOUNT GROUP GENERAL FIXED ASSETS	TOTALS (MEMORANDUM ONLY)
ASSETS			
Cash	\$80,842	\$0	\$80,842
Certificate of deposit	44,857	0	44,857
Accounts receivable	14,255	0	14,255
Interest receivable	130	0	130
Prepaid insurance	927	0	927
General fixed assets:			
Equipment	0	27,289	27,289
Software	0	4,400	4,400
Signs	0	49,699	49,699
Dispatch office improvements	0	17,571	17,571
Automobile	0	10,000	10,000
Total assets	<u>\$141,011</u>	<u>\$108,959</u>	<u>\$249,970</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	<u>\$6,338</u>	<u>\$0</u>	<u>\$6,338</u>
Total liabilities	<u>6,338</u>	<u>0</u>	<u>6,338</u>
Fund equity:			
Investment in general fixed assets	0	108,959	108,959
Fund balance - unreserved	<u>134,673</u>	<u>0</u>	<u>134,673</u>
Total fund equity	<u>134,673</u>	<u>108,959</u>	<u>243,632</u>
Total liabilities and fund balance	<u>\$141,011</u>	<u>\$108,959</u>	<u>\$249,970</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
Year ended June 30, 2003

Revenues:	
911 user fees:	
Land lines	\$107,964
Wireless	60,452
Permit fees	19,340
Miscellaneous income	909
Interest income	<u>1,137</u>
 Total revenues	 <u>189,802</u>
 Expenditures:	
General government:	
Personnel costs	75,209
Telephone equipment rental and service	42,288
Insurance	1,269
Postage	173
Automobile expense	1,628
Telephone	839
Collection fees	1,685
Supplies	3,348
Other costs	<u>1,570</u>
 Total general government	 <u>128,009</u>
 Capital outlay	 <u>0</u>
 Total expenditures	 <u>128,009</u>
 Excess (deficiency) of revenues over expenditures	 61,793
 Fund balance, July 1, 2002	 <u>72,880</u>
 Fund balance, June 30, 2003	 <u><u>\$134,673</u></u>

The accompanying notes are an integral part of these statements.

SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

(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 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

SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

(1) Summary of significant account policies (continued)

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.

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. Inter-fund 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, 2003.

(3) 911 user fees

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.

Act 1029 of 1999 authorizes the District to levy an emergency telephone service charge on certain wireless communication systems to pay the costs of implementing FCC ordered

SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

enhancements to E911 systems. Beginning July 1, 2002 the District has levied a 85 cents per month fee on wireless customers to fund future implementation of wireless E911 service. \$60,452 of wireless fees were collected in the year ended June 20, 2003. As of June 30, 2003 no costs have been incurred in implementation of wireless E911 service and service implementation plans are presently on hold until the cost of implementing this service decreases and/or adequate funds are available to implement this service.

Beginning June 1, 1999, the District began to collect a \$10 permit fee for all 911 permits issued.

(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.

(7) Accounts receivable

Accounts receivable at June 30, 2003, consisted of fees due from telephone companies for June 2003 in the amount of \$14,255.

(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 \$3,515.

(9) Cash

All bank deposits and certificates of deposit are fully secured through federal depository insurance.

SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

(10) Changes in general fixed assets

Their were no changes in general fixed assets for the year ended June 30, 2003.

(11) Compensation of commissioners

The commissioners received no compensation or per diem during the year ended June 30, 2003.

GENERAL FUND

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

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SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
GENERAL FUND
BALANCE SHEET
JUNE 30, 2003

ASSETS

Cash	\$80,842
Certificate of deposit	44,857
Accounts receivable	14,255
Interest receivable	130
Prepaid insurance	<u>927</u>
 Total assets	 <u>\$141,011</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	<u>\$6,338</u>
 Total liabilities	 <u>6,338</u>
 Fund balance - unreserved	 <u>134,673</u>
 Total liabilities and fund balance	 <u>\$141,011</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
Year ended June 30, 2003

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
911 user fees:			
Land lines	\$108,142	\$107,964	(\$178)
Wireless	0	60,452	60,452
Permit fees	22,975	19,340	(3,635)
Miscellaneous income	2,620	909	(1,711)
Interest income	1,070	1,137	67
	<u>134,807</u>	<u>189,802</u>	<u>54,995</u>
Expenditures:			
General government:			
Personnel costs	82,700	75,209	7,491
Telephone equipment rental and service	42,435	42,288	147
Insurance	1,284	1,269	15
Postage	136	173	(37)
Automobile expense	1,024	1,628	(604)
Telephone	817	839	(22)
Collection fees	0	1,685	(1,685)
Supplies	3,331	3,348	(17)
Other costs	1,782	1,570	212
Total general government	<u>133,509</u>	<u>128,009</u>	<u>5,500</u>
Capital outlay	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures	<u>133,509</u>	<u>128,009</u>	<u>5,500</u>
Excess (deficiency) of revenues over expenditures	1,298	61,793	60,495
Fund balance, July 1, 2002	<u>72,880</u>	<u>72,880</u>	<u>0</u>
Fund balance, June 30, 2003	<u>\$74,178</u>	<u>\$134,673</u>	<u>\$60,495</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.

SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
STATEMENT OF GENERAL FIXED ASSETS
JUNE 30, 2003

General fixed assets, at cost:	
Equipment	\$27,289
Software	4,400
Signs	49,699
Dispatch office improvements	17,571
Automobile	<u>10,000</u>
Total general fixed assets	<u>\$108,959</u>
Investment in general fixed assets:	
General fund revenues	\$65,855
Sabine Parish Police Jury	<u>43,104</u>
	<u>\$108,959</u>

SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
Year ended June 30, 2003

	Beginning Balance	Additions	Deletions	Ending Balance
Equipment	\$27,289	\$0	\$0	\$27,289
Software	4,400	0	0	4,400
Signs	49,699	0	0	49,699
Dispatch office improvements	17,571	0	0	17,571
Automobile	<u>10,000</u>	<u>0</u>	<u>0</u>	<u>10,000</u>
Total general fixed assets	<u>\$108,959</u>	<u>\$0</u>	<u>\$0</u>	<u>\$108,959</u>

The accompanying notes are an integral part of these statements.

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Board of Directors
Sabine Parish Communications
District
Many, Louisiana

I have audited the component unit financial statements of the Sabine Parish Communications District, Louisiana, and the individual fund, and account group financial statements of the Sabine Parish Communications District, Louisiana, for the year ended June 30, 2003, and have issued my report thereon dated September 26, 2003. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Sabine Parish Communications District, Louisiana's component unit financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provision was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instance of noncompliance that is required to be reported under *Government Auditing Standards*:

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Sabine Parish Communications District, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing an opinion on the component unit financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the component unit 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 over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of management, Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read 'Eugene W. Fremaux II', with a long horizontal stroke extending to the right.

EUGENE W. FREMAUX II, CPA
September 26, 2003