

**EVANGELINE PARISH
COMMUNICATIONS DISTRICT**

Financial Report

Year Ended December 31, 2012

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1-2
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of net position	5
Statement of activities	6
FUND FINANCIAL STATEMENTS (FFS)	
Balance sheet - governmental fund	8
Reconciliation of the governmental fund balance sheet to the statement of net position	9
Statement of revenues, expenditures, and change in fund balance- governmental fund	10
Reconciliation of the statement of revenues, expenditures, and change in fund balance of governmental fund	11
Notes to basic financial statements	12-20
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedule: General Fund	22
INTERNAL CONTROL AND COMPLIANCE	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on and Audit of Financial Statements Performed in accordance with <i>Government Auditing Standards</i>	24-25
Summary schedule of current and prior year audit findings and corrective action plan	26

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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 financial statements of the governmental activities and the major fund of the Evangeline Parish Communications District (Communications District), a component unit of the Evangeline Parish Police Jury, as of and for the year ended December 31, 2012, which collectively comprise the Communications District's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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INDEPENDENT AUDITORS' REPORT

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Communications District, as of December 31, 2012, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that budgetary comparison information (page 22) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2013, on our consideration of the Communications District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Communications District's internal control over financial reporting and compliance.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
March 21, 2013

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

Evangeline Parish Communications District
Ville Platte, Louisiana

Statement of Net Position
December 31, 2012

	<u>Governmental Activities</u>
ASSETS	
Cash and interest-bearing deposits	\$ 1,427,288
Receivables, net	275,207
Capital assets, net	<u>179,938</u>
Total assets	<u>1,882,433</u>
LIABILITIES	
Accounts payable	<u>22,080</u>
NET POSITION	
Net investment in capital assets	179,938
Unrestricted	<u>1,680,415</u>
Total net position	<u>\$ 1,860,353</u>

The accompanying notes are an integral part of the basic financial statements.

Evangeline Parish Communications District
Ville Platte, Louisiana

Statement of Activities
For the Year Ended December 31, 2012

Activities	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Public safety	\$484,911	\$384,295	\$ 354	\$ (100,262)
General revenues:				
Ad valorem taxes				220,322
Miscellaneous income				3,352
Interest and investment earnings				11,487
Total general revenues				235,161
Change in net position				134,899
Net position - January 1, 2012				1,725,454
Net position - December 31, 2012				\$ 1,860,353

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

Evangeline Parish Communications District
Ville Platte, Louisiana

Balance Sheet
Governmental Fund - General Fund
December 31, 2012

ASSETS

Cash and interest-bearing deposits	\$ 1,427,288
Revenue receivable, net	<u>275,207</u>
Total assets	<u>\$ 1,702,495</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	\$ 22,080
Fund balance, unassigned	<u>1,680,415</u>
Total liabilities and fund balance	<u>\$ 1,702,495</u>

The accompanying notes are an integral part of the basic financial statements.

Evangeline Parish Communications District
Ville Platte, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
December 31, 2012

Total fund balance for the governmental fund at December 31, 2012		\$ 1,680,415
Cost of capital assets at December 31, 2012	\$ 379,832	
Less: Accumulated depreciation	<u>(199,894)</u>	<u>179,938</u>
Total net position of governmental activities at December 31, 2012		<u>\$ 1,860,353</u>

The accompanying notes are an integral part of the basic financial statements.

Evangeline Parish Communications District
Ville Platte, Louisiana

Statement of Revenues, Expenditures, and Change in Fund Balance -
Governmental Fund - General Fund
For the Year Ended December 31, 2012

Revenues:	
Ad valorem tax	\$ 220,322
Charges for services -	
Telephone surcharges	129,319
Cellular surcharges	254,976
Local grants	354
Miscellaneous income	3,352
Interest on deposits	11,487
Total revenues	<u>619,810</u>
Expenditures:	
Public safety -	
Advertising	200
Auto	8,050
Bank charges	10
Dues and subscriptions	4,627
Election expense	6,083
Repairs and maintenance	40,736
Insurance	8,221
Miscellaneous	92
Seminar/convention	22,310
Equipment lease	27,296
Office	9,503
Postage	316
Supplies	7,551
Telephone	12,446
Professional fees	7,300
Salaries and related benefits	288,417
Pension	7,625
Total expenditures	<u>450,783</u>
Change in fund balance	169,027
Fund balance, beginning	<u>1,511,388</u>
Fund balance, ending	<u>\$ 1,680,415</u>

The accompanying notes are an integral part of the basic financial statements.

Evangeline Parish Communications District
Ville Platte, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Change in Fund Balance of Governmental Fund
to the Statement of Activities
For the Year Ended December 31, 2012

Total change in fund balance for the year ended December 31, 2012 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$169,027
Depreciation expense	<u>(34,128)</u>
Total change in net position for the year ended December 31, 2012 per Statement of Activities	<u>\$ 134,899</u>

The accompanying notes are an integral part of the basic financial statements.

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Evangeline Parish Communications District (Communications District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

The Evangeline Parish Communications District (hereafter referred to as the "Communications 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 Communication's District's board consists of nine members who are appointed by the Evangeline Parish Police Jury and serve four year terms. Board members receive no compensation.

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 Communication's District was determined on the basis of general oversight responsibility.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include the fund of the reporting entity, which is considered to be a governmental activity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Communications District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

Fund Financial Statements (FFS)

The accounts of the Communications District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The fund of the Communications District is classified as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major fund of the Communications District is described below:

Governmental Fund -

General Fund

The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the Communications District and is used to account for the operations of the Communications District's office. The various fees and charges due to the Communications District's office are accounted for in this fund. General operating expenditures are paid from this fund.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues, expenditures, expenses, and transfers – and assets, deferred outflows of resources, liabilities, and deferred inflows or resources – are recognized in the accounts and reported in the financial statements.

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position. In the fund financial statements, the "current financial resources" measurement focus is used. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are classified by source and expenditures are classified by function and character. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Program revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the Communication District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Communication District's general revenues.

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

Allocation of indirect expenses

The Communications District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions, but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function.

When both restricted and unrestricted resources are available for use, it is the Communications District's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Equity

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Communications District.

Prepaid items

Payments made to vendors for services that will benefit periods beyond December 31, 2012, are recorded as prepaid items.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Communications District maintains a threshold level of \$5,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Furniture, fixtures and equipment

5-10 years

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Restricted net position – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted net position is reduced by liabilities and deferred inflows or resources related to the restricted assets.
- c. Unrestricted net position – consist of all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balances of the governmental funds are classified as follows.

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Communications District’s Board, which is the highest level of decision-making authority for the Communications District.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.
- e. Unassigned – all other spendable amounts.

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Communications District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Communications District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Communications District has provided otherwise in his commitment or assignment actions.

E. Budgetary and Budgetary Accounting

A budget for the General Fund was prepared on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally prepared or amended by the Communications District. All budgetary appropriations lapse at the end of each fiscal year.

F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

G. Recently Issued and Adopted Accounting Pronouncements

In June 2011, the Governmental Accounting Standards Board (GASB) approved Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position". The statement changes how governments will organize their statements of financial position. Under this standard, financial statements will include deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities, and will report net position instead of net assets. The provisions of this statement are effective for periods beginning after December 15, 2011. The Communications District adopted GASB Statement 63 for the year ending December 31, 2012.

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the Communications 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 Communications 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 Communications District has cash and interest-bearing deposits (book balances) totaling \$1,427,288 as follows:

Demand deposits	\$ 70,033
Time and money market deposits	<u>1,357,255</u>
Total	<u>\$1,427,288</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Communications District's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. 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 similar federal security 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. These securities are held in the name of the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. As of December 31, 2012, bank balances in the amount of \$1,427,288 were secured as follows:

Bank balances	<u>\$1,427,288</u>
Federal deposit insurance	1,053,054
Pledged securities (Category 3)	<u>374,234</u>
Total FDIC insurance and pledged securities	<u>\$1,427,288</u>

Deposits in the amount of \$374,234 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institutions' trust department or agent, but not in the Communications District's name (Category 3 deposits). The Communications District does not have a policy for custodial credit risk.

(3) Receivables

Receivables at December 31, 2012 of \$275,207 consist of the following:

Taxes:	
Ad valorem, net	\$ 230,091
Charges for services:	
Telephone and cellular surcharges	<u>45,116</u>
	<u>\$275,207</u>

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

(4) Capital Assets

Capital asset balances and activity for the year ended December 31, 2012 are as follows:

	Balance 1/1/2012	Additions	Deletions	Balance 12/31/2012
Land	\$ 20,800	\$ -	\$ -	\$ 20,800
Furniture, Fixtures and equipment	359,032	-	-	359,032
Total	379,832	-	-	379,832
Less accumulated depreciation	165,766	34,128	-	199,894
Net capital assets	<u>\$214,066</u>	<u>\$ (34,128)</u>	<u>\$ -</u>	<u>\$ 179,938</u>

Depreciation expense of \$34,128 was charged to the public safety function.

(5) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in September or October and billed to the taxpayers by the Evangeline Parish Sheriff in December. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Evangeline Parish Assessor and are collected by the Sheriff.

For the year ended December 31, 2012, taxes were levied at the rate of 1.01 mills on property with assessed valuations totaling \$235,543,300.

Total adjusted taxes levied during 2012 were \$237,715. Taxes receivable at December 31, 2012 were \$230,091, net of an allowance for uncollectible taxes of \$1,830.

(6) Intergovernmental Agreements

The Evangeline Parish Communications District contracts with the Evangeline Parish Police Jury and the Evangeline Parish Sheriff's Department in an intergovernmental agreement in which the Police Jury and Sheriff provide all employees necessary to operate the District. The District subsequently reimburses the Police Jury and Sheriff for all salaries and related benefits, including payroll taxes, insurance and pension.

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

(7) Implementation of Wireless E911 Service

In accordance with Louisiana Revised Statute 33:9109, the Communications District is authorized to collect emergency telephone service charges on wireless communications systems to pay the costs of implementing FCC ordered enhancements. Once these enhancements have been made and the system implementation complete the proceeds can be used for any lawful purpose of the District. Phase I enhancements are complete. The Communications District is in the process of implementing Phase II enhancements. Collections of wireless service charges totaled \$254,976 for the year ending December 31, 2012.

(8) Risk Management

The Communications District is exposed to risks of loss in the areas of auto and property liability and surety bonds. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

(9) Litigation

There is no litigation pending against the Communications District at December 31, 2012.

(10) Subsequent Event Review

The management of the Communications District has evaluated subsequent events through March 21, 2013, the date which the financial statements were available to be issued.

**REQUIRED
SUPPLEMENTARY INFORMATION**

Evangeline Parish Communications District
Ville Platte, Louisiana

Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2012

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Ad valorem tax	\$ 180,018	\$ 210,111	\$ 220,322	\$ 10,211
Charges for services -				
Telephone surcharges	137,775	129,892	129,319	(573)
Cellular surcharges	342,276	227,317	254,976	27,659
Local grants	10,000	5,000	354	(4,646)
Miscellaneous	554	1,590	3,352	1,762
Interest on deposits	8,000	6,000	11,487	5,487
Total revenues	<u>678,623</u>	<u>579,910</u>	<u>619,810</u>	<u>39,900</u>
Expenditures:				
Public safety -				
Advertising	-	-	200	(200)
Auto	8,274	11,878	8,050	3,828
Bank charges	-	-	10	(10)
Dues and subscriptions	-	4,700	4,627	73
Election expense	-	6,000	6,083	(83)
Repairs and maintenance	4,102	31,861	40,736	(8,875)
Insurance	8,345	8,221	8,221	-
Miscellaneous	-	-	92	(92)
Seminar/convention	4,891	5,775	22,310	(16,535)
Equipment lease	57,937	27,526	27,296	230
Office	23,508	9,840	9,503	337
Postage	-	-	316	(316)
Supplies	-	8,000	7,551	449
Telephone	10,000	10,000	12,446	(2,446)
Professional fees	6,300	7,300	7,300	-
Salaries and related benefits	268,849	307,246	288,417	18,829
Pension	7,313	7,313	7,625	(312)
Capital outlay	<u>400,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total expenditures	<u>799,519</u>	<u>475,660</u>	<u>450,783</u>	<u>24,877</u>
Excess of revenues over expenditures	(120,896)	104,250	169,027	64,777
Other financing sources:				
Proceeds from bond issue	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	279,104	104,250	169,027	64,777
Fund balance, beginning	<u>1,511,388</u>	<u>1,511,388</u>	<u>1,511,388</u>	<u>-</u>
Fund balance, ending	<u>\$1,790,492</u>	<u>\$1,615,638</u>	<u>\$1,680,415</u>	<u>\$ 64,777</u>

**INTERNAL CONTROL
AND
COMPLIANCE**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Evangeline Parish Communications District (Communications District) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Communications District's basic financial statements, and have issued our report thereon dated March 21, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Communications District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Communications District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Communications District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying summary schedule of current and prior year audit findings and corrective action plan, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as item 12-2(IC) to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider deficiency 12-1(IC) described in the accompanying summary schedule of current and prior year audit findings and corrective action plan to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Evangeline Parish Communications District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as item 12-3(C).

Evangeline Parish Communications District's Response to Findings

Evangeline Parish Communications District's response to the findings identified in our audit are described in the accompanying summary schedule of current and prior year audit findings and corrective action plan. The Communications District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Communications District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Communications District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
March 21, 2013

Evangeline Parish Communications District
Ville Platte, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Year Ended December 31, 2012

Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Completion Date
<u>CURRENT YEAR (12/31/12) --</u>					
<u>Internal Control:</u>					
12-1(1C)	1995 Due to the small number of employees, the Communications District did not have adequate segregation of functions within the accounting system.	No	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.	Kent Fontenot, Chairman	N/A
12-2(1C)	2007 The Communications District does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.	No	The Communications District has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Kent Fontenot, Chairman	N/A
<u>Compliance:</u>					
12-3(C)	2012 The Communications District did not comply with the requirements of LRS 39:1307 - the public participation rules regarding budgets for political subdivisions that propose to spend \$500,000 or more annually.	Yes	All requirements of the Local Government Budget Act were followed for the 2013 budget.	Kent Fontenot, Chairman	12/2012
<u>PRIOR YEAR (12/31/11) --</u>					
<u>Internal Control:</u>					
11-1(1C)	1995 Due to the small number of employees, the Communications District did not have adequate segregation of functions within the accounting system.	No	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.	Kent Fontenot, Chairman	N/A
11-2(1C)	2007 The Communications District does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.	No	The Communications District has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Kent Fontenot, Chairman	N/A

Compliance: There were no compliance findings noted.