

SABINE COMMUNICATIONS DISTRICT

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2019



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EUGENE W. FREMAUX II

CERTIFIED PUBLIC ACCOUNTANT

SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
JUNE 30, 2019

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Sabine Parish Communications District
Many, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Sabine Parish Communications District, a component unit of the Sabine Parish Police Jury, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 from 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.

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 Sabine Parish Communications District as of June 30, 2019, 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*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 4 and page 18 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 supplemental 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sabine Parish Communications District's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling information directly to the underlying accounting records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2019 on our consideration of Sabine Parish Communications District's internal control over financial reporting and our tests on its compliance with certain provision of laws, regulations, contracts 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 the 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 District's internal control over financial reporting and compliance.



EUGENE W. FREMAUX II, CPA

October 10, 2019

SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

This section of the District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2019. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The District's net position increased \$126,239 to \$846,134 during the year.
Expenses for the year amounted to \$220,229, a decrease of \$51,210.
Program revenues for the year amounted to \$337,025, a decrease of \$3,474.

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of three parts:

Management's discussion and analysis
Basic financial statements
Supplementary information

The basic financial statements include two kinds of statements that present different views of the District:

The first two statements are government-wide financial statements that provide both long-term and short-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District's operations in more detail than the government-wide statements. The District has only one fund, the general fund.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's net position increased \$126,239 during the year.

Condensed Statement of Net Position

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Current and other assets	\$ 868,527	\$ 702,696
Capital assets, net	<u>81,578</u>	<u>30,642</u>
Total Assets	<u>950,105</u>	<u>733,338</u>
Current liabilities	<u>103,971</u>	<u>13,443</u>
Net Position		
Invested in capital assets	81,578	30,642
Unrestricted	<u>764,556</u>	<u>689,253</u>
Total net position	<u>\$ 846,134</u>	<u>\$ 719,895</u>

SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

Condensed Statement of Activities

	<u>Year Ended</u>	
	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Program revenues	\$ 337,025	\$ 340,499
Grant revenues	-	-
General revenues	9,443	5,977
Total revenues	<u>346,468</u>	<u>346,476</u>
 Expenses	 <u>220,229</u>	 <u>271,439</u>
 Change in net position	 <u>\$ 126,239</u>	 <u>\$ 75,037</u>

During 2019, program revenues decreased by \$3,474 to \$337,025. In addition, expenses decreased by \$51,210.

FINANCIAL ANALYSIS OF THE FUNDS

The District's governmental fund balance increased \$75,303 during the year. Expenses increased by \$3,838 to \$271,165. Total revenues decreased by \$8 to \$346,468. Capital expenditures are expensed in the general fund financial statements but are capitalized and depreciated in the government-wide financial statements.

CAPITAL ASSETS

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Capital assets (net)	<u>\$ 50,936</u>	<u>\$ (4,112)</u>

Capital assets increased primarily to the addition of \$55,048 of equipment upgrades in 2019.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District is dependent on E911 fees from telephone customers and \$10 permit fees to obtain electric service for approximately 99 percent of its revenues. The District does expect slow growth in these revenues, and an increase in expenses in the future as the next generation of 911 services is implemented.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. P. M. Woods, Chairman, P O Box 550, Many, LA 71449.

SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2019

EXHIBIT A

ASSETS

Cash	\$	246,619
Certificates of deposit		495,099
Receivables		97,166
Prepays		29,643
Capital assets, net of accumulated depreciation		<u>81,578</u>
TOTAL ASSETS		<u>950,105</u>

LIABILITIES

Accounts Payable		<u>103,971</u>
TOTAL LIABILITIES		<u>103,971</u>

NET POSITION

Invested in capital assets		81,578
Unrestricted		<u>764,556</u>
TOTAL NET POSITION	\$	<u><u>846,134</u></u>

The accompanying notes are an integral part of these statements.

SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
STATEMENT OF ACTIVITIES
JUNE 30, 2019

EXHIBIT B

	Expenses	Program Revenues Charges for Services	Capital Grants	Net (Expenses) Revenue and changes in net position Governmental Unit
FUNCTIONS/PROGRAMS				
Governmental activities:				
General government	\$ 220,229	\$ 337,025	\$ -	\$ 116,796
Total governmental activities	<u>220,229</u>	<u>337,025</u>	<u>-</u>	<u>116,796</u>
General revenues:				
Interest				7,069
Miscellaneous				<u>2,374</u>
Total general revenues				<u>9,443</u>
Change in net position				126,239
Net position, beginning of year				<u>719,895</u>
Net position, end of year				<u><u>\$ 846,134</u></u>

The accompanying notes are an integral part of these statements.

SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2019

EXHIBIT C

ASSETS

Cash	\$	246,619
Certificates of Deposit		495,099
Receivables		97,166
Prepaid expenses		<u>29,643</u>
Total assets	\$	<u><u>868,527</u></u>

LIABILITIES AND FUND BALANCE

Liabilities

Accounts payable	\$	<u>103,971</u>
Total liabilities		<u>103,971</u>

Fund balance:

Nonspendable-prepaid expenses	29,643
Unassigned	<u>734,913</u>
Total fund balance	<u>764,556</u>

Total liabilities and fund balance	\$	<u><u>868,527</u></u>
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The accompanying notes are an integral part of these statements.

SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2019

EXHIBIT D

Total fund balances - Governmental Funds		\$ 764,556
Cost of capital assets at June 30, 2019	254,732	
Less accumulated depreciation at June 30, 2019	<u>(173,154)</u>	<u>81,578</u>
Total net position at June 30, 2019 - Governmental Activities		<u><u>\$ 846,134</u></u>

The accompanying notes are an integral part of these statements.

SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE –
GOVERNMENTAL FUND
GENERAL FUND
YEAR ENDED JUNE 30, 2019

EXHIBIT E

Revenues:	
911 user fees:	
Land lines	\$ 49,997
Wireless	207,949
Prepaid wireless	60,439
Permit fees	18,640
Miscellaneous income	2,374
Interest income	<u>7,069</u>
Total revenues	<u>346,468</u>
Expenditures:	
General government:	
Personnel costs	177,066
Telephone equipment rental and service	15,472
Automobile expense	3,197
Telephone	2,355
Collection fees	2,579
Supplies	5,130
Capital outlay	55,048
Other costs	<u>10,318</u>
Total expenditures	<u>271,165</u>
Excess (deficiency) of revenues over expenditures	75,303
Fund balance, beginning of year	<u>689,253</u>
Fund balance, end of year	<u>\$ 764,556</u>

The accompanying notes are an integral part of these statements.

SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2019

EXHIBIT F

Excess of revenues over (under) expenditures	\$	75,303
Capital assets:		
Capital outlay capitalized	\$	55,048
Depreciation expense for year ended June 30, 2018	<u>(4,112)</u>	<u>50,936</u>
Change in net position - governmental funds	\$	<u><u>126,239</u></u>

The accompanying notes are an integral part of these statements.

SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

(1) Summary of significant accounting policies

The Sabine Parish Communications District, Many, Louisiana (District), 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 District is a political subdivision of the Sabine Parish Police Jury, whose jurors are elected officials. The District's Board members are appointed by the Sabine Parish Police Jury.

The accounting and reporting policies of the Sabine Parish Communications District conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting policies of the District conform to the requirements of Louisiana Revised Statutes 24:517 and to the guidance set forth in the Louisiana Governmental Audit Guide.

The following is a summary of the District's significant policies:

A. Reporting Entity

This report includes all funds which are controlled by or dependent on the Board of Directors 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 these criteria, there is no other governmental body that should be included in these statements. The accompanying financial statements consist only of the funds of the Sabine Parish Communications District and do not present information on the Sabine Parish Police Jury. The District is considered to be a component unit of the Sabine Parish Policy Jury.

B. Fund Accounting

The accounts of the 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 Type:

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

SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

C. Basis of Accounting

Government wide financial statements

The government wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Program revenues included in the Statement of Activities derive directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the District's general revenues. The District applies all applicable GASB pronouncements in accounting and reporting for its government-wide financial statements

Fund financial statements

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.

D. 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. Budget appropriations lapse at the end of each year.

E. Capital Assets

All capital assets are capitalized at historical cost. The District maintains a threshold level of \$1,500 or more for capitalizing capital assets. Capital assets are recorded in the basic financial statements, but are reported as an expense in the fund financial statements. All capital assets are depreciated using the straight-line method over their estimated useful lives, which vary from 3 to 15 years.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and

SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. Restricted Net Position

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

1. Investment in capital assets, net of related debt – consist of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributed to the acquisition, construction, or improvement of those assets;
2. Restricted net position – net position with constraints placed on the use either by a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or b) law through constitutional provisions or enabling legislation;
3. Unrestricted – all other net position is reported in this category.

H. Fund Equity

In the fund financial statements, governmental fund equity is classified as fund balance and displayed in five components:

1. Nonspendable – amounts that cannot be spent wither because they are in nonspendable form or because they are legally or contractually required to be maintained intact;
2. Restricted – amounts constrained to specific purposes by either a) creditors, grantors, contributors, or the laws or regulations of other governments, or b) constitutional provisions or enabling legislation;
3. Committed – amounts constrained to specific purposes by the governmental entity at its highest level of decision-making authority (Board of Directors). These amounts cannot be used for any other purposes unless the government takes the same highest level action to remove or change the constraint;
4. Assigned – amounts that do not meet the criteria to be classified as restricted or committed that are intended to be used for specific purposes as established by the Board of Directors or its management to which the Board of Directors has delegated the authority to assign amounts for specific purposes;
5. Unassigned – all other spendable amounts.

The Board of Directors establishes (and modifies or rescinds) fund balance commitments and assignments by passage of an ordinance or resolution.

SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

The District typically uses restricted fund balances first, followed by committed, assigned and unassigned funds when an expenditure is incurred for purposes for which amounts in any of these fund classifications could be used.

(2) Pending litigation

The Sabine Parish Communications District is not involved in any litigation at June 30, 2019.

(3) 911 user fees

The District is authorized to levy and collect a fee based on landline telephone tariffs in Sabine Parish to provide funding. The District has entered into agreements with various telephone companies to collect a 5% fee beginning January 1, 1992. The telephone companies charge the District a 1% fee for this collection service.

Louisiana 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 enhancements to E911 systems. Beginning July 1, 2002 the District has levied a 85 cents per month fee on wireless customers to future implementation of wireless E911 service. Phase Two implementation of wireless E911 service was complete as of June 30, 2008.

Effective January 1, 2017, the District implemented the provisions of Louisiana Act 665 and Act 590 of 2016, which increased the monthly wireless fee to \$1.25, in part to provide resources to plan and implement the next generation of 911 services (NG911). The District is currently in the process of collecting the needed information so that planning for implementation of NG911 can begin. Wireless fees of \$268,388 were collected during the year ended June 30, 2019.

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, retirement, 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.

SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

(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) Receivables

Receivables at June 30, 2019, consisted of fees due from telephone companies in the amount of \$71,041, interest receivable of \$469, and a receivable from AT&T for \$25,656.

(8) AT&T

The District has agreements with AT&T for equipment, software, maintenance, trunk lines, and services needed to provide 911 service. During June 2019 the District upgraded the Public Safety Answering Point equipment and related software for \$55,048. Prepaid expenses of \$29,100 at June 30, 2019 relate to prepaid maintenance of hardware and software for the next five years. AT&T also bills the District for 911 services at the rate of \$1,136 per month as of June 30, 2019.

(9) Cash

Louisiana Revised Statutes authorize the District to invest in United States bonds, treasury notes or certificates, time certificates of deposit, or any other federally insured investment. Investments are stated at cost, which approximates market value. Of the total of \$741,718 in cash deposited in demand and time deposits as of June 30, 2019, \$480,239 was secured through federal depository insurance and \$261,379 was secured by bank pledged securities.

SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

(10) Changes in capital assets

Capital assets and related depreciation activity for the year ended June 30, 2019 are as follows:

	Equipment	Building Improvement	Total
Cost of capital assets, beginning of year	\$ 184,311	\$ 17,571	\$ 201,882
Deletions	(2,197)	-	(2,197)
Additions	55,048	-	55,048
Cost of capital assets, end of year	<u>237,162</u>	<u>17,571</u>	<u>254,733</u>
Accumulated depreciation, beginning of year	\$ 153,669	\$ 17,571	\$ 171,240
Deletions	(2,198)	-	(2,198)
Additions	4,112	-	4,112
Accumulated depreciation, end of year	<u>\$ 155,583</u>	<u>\$ 17,571</u>	<u>\$ 173,154</u>
Capital assets, net of accumulated depreciation, end of year	<u>\$ 81,579</u>	<u>\$ -</u>	<u>\$ 81,579</u>

(11) Compensation of Directors

The Directors received no compensation or per diem during the year ended June 30, 2019.

(12) Subsequent Event

Management has evaluated subsequent events through the date the financial statements were available to be issued, October 10, 2019 and determined that no other events occurred that require disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS

SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the year ended June 30, 2019

EXHIBIT G

	Original Budget	Final Budget	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:				
911 user fees:				
Land lines	\$ 53,000	\$ 53,000	\$ 49,997	\$ (3,003)
Wireless	200,000	200,000	207,949	7,949
Prepaid wireless	67,000	67,000	60,439	(6,561)
Permit fees	18,480	18,480	18,640	160
Miscellaneous income	3,160	3,160	2,374	(786)
Interest income	<u>2,000</u>	<u>2,000</u>	<u>7,069</u>	<u>5,069</u>
Total revenues	<u>343,640</u>	<u>343,640</u>	<u>346,468</u>	<u>2,828</u>
Expenditures:				
General government				
Personnel costs	186,500	186,500	177,066	9,434
Telephone equipment rental and service	76,000	76,000	15,472	60,528
Automobile expense	3,600	3,600	3,197	403
Telephone	2,400	2,400	2,355	45
Collection fees	-	-	2,579	(2,579)
Supplies	10,000	10,000	5,130	4,870
Capital outlay	-	-	55,048	(55,048)
Other costs	<u>18,490</u>	<u>18,490</u>	<u>10,318</u>	<u>8,172</u>
Total general government	<u>296,990</u>	<u>296,990</u>	<u>271,165</u>	<u>25,825</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>296,990</u>	<u>296,990</u>	<u>271,165</u>	<u>25,825</u>
Excess (deficiency) of revenues over expenditures	46,650	46,650	75,303	28,653
Fund balance, beginning of year	<u>689,253</u>	<u>689,253</u>	<u>689,253</u>	<u>-</u>
Fund balance, end of year	<u>\$ 735,903</u>	<u>\$ 735,903</u>	<u>\$ 764,556</u>	<u>\$ 28,653</u>

The accompanying notes are an integral part of these statements.

SABINE PARISH COMMUNICATIONS DISTRICT
MANY, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2019

CURRENT YEAR FINDINGS

None

PRIOR YEAR FINDINGS

None

**OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENT TO
AGENCY HEAD
YEAR ENDED JUNE 30, 2019**

Agency Head: P. M. Woods

No compensation, benefits or other payments

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 Board of Directors
Sabine Parish Communications District
Many, Louisiana

We have audited, in accordance with the 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, the financial statements of the governmental activities of Sabine Parish Communications District, Many, Louisiana, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 10, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 my audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



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 results of that testing, and not to provide an opinion on the effectiveness of the 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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended purpose of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.



EUGENE W. FREMAUX II, CPA
October 10, 2019