

Webster Parish Communications District  
Annual Financial Statements  
As of December 31, 2018 and for the Year Then Ended

Webster Parish Communications District  
 Annual Financial Statements  
 As of and for the Year Ended December 31, 2018  
 With Supplemental Information Schedules

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Webster Parish Communications District  
Management Discussion and Analysis  
December 31, 2018

The management of the Webster Parish Communications District (District) offers readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2018. This management discussion and analysis ("MD&A") is designed to provide an objective analysis of the District's financial activities based on currently known facts, decisions, and conditions. It is intended to provide readers with a broad overview of District finances. It is also intended to provide readers with an analysis of the District's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the District. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the District's financial activity, identify changes in the District's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

The District has presented its financial statements under the reporting model required by the Governmental Accounting Standards Board Statement No. 34. This reporting model changes the presentation of financial data, and also the manner in which the information is recorded. We encourage readers to consider the information presented here in conjunction with additional information presented throughout this report.

### **Overview of the Financial Statements**

This section is intended to serve as an introduction to the District's financial statements. The District's basic financial statements consist of the government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information, which is in addition to the basic financial statements.

#### Government-Wide Financial Statements

Government-wide financial statements are designed by GASB Statement No. 34 to change the way in which governmental financial statements are presented. It now provides readers with a concise "entity-wide" Statement of Net Position and Statement of Activities, which seek to give the user of the financial statements a broad overview of the District's financial position and results of operations in a manner similar to private sector businesses.

The statement of net position presents information on all of the District's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. The difference between the two is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or weakening.

The statement of activities presents information which shows how the government's net position changed during this fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g. uncollected taxes).

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December 31, 2018

Each of these reports is broken down between governmental activities and business-type activities. Governmental activities normally are those activities that are supported by taxes, licenses, permits, fines, and intergovernmental revenues; for example, the police department. Business-type activities are functions that are intended to support their costs through charges for services or fees; such as the Water and Sewer Departments.

**Government-wide Financial Analysis**

As noted earlier, net position may, over time, serve as a useful indicator of a government’s financial position. At the close of the most recent fiscal year, the District’s assets exceeded its liabilities by \$791,525 (net position); this represents a decrease of \$77,121 from the last fiscal year. Of this total net asset amount, \$595,983 is unrestricted net position. The District’s net position are comprised solely from governmental activities.

The following is a condensed statement of the District’s net position as of December 31, 2018:

	Governmental- Type Activities
<b>Assets</b>	
Current & Other Assets	\$623,855
Capital Assets (net)	195,542
Total Assets	\$819,397
<b>Liabilities</b>	
Other Liabilities	\$27,872
Long-term Liabilities	0
Total Liabilities	27,872
<b>Net Position</b>	
Invested in capital assets, net	195,542
Unrestricted	595,983
Total Net Position	\$791,525

By far the largest portion of the District’s net position \$195,542 reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure, etc.) less any related debt used to acquire those assets still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District’s capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of \$595,983 is unrestricted net position, which may be used to meet the government’s on-going obligations to citizens and creditors.

The District has total outstanding debt of \$27,872. Total liabilities of \$27,872 are equal to 4% of the total net position.

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Management Discussion and Analysis  
December 31, 2018

The following is a summary of the statement of activities:

	Governmental-Type Activities
Revenue	
Program Revenue	\$549,261
General Revenue & Transfers	5,929
Total Revenue	555,190
Expenses	
Public Safety	597,942
Depreciation	34,369
Total Expenses	632,311
Increase (Decrease) in Net Position	(77,121)
Net Position, Beginning	868,646
Prior period adjustment	0
Net Position, Ending	\$791,525

**Governmental Activities**

The governmental activities of the District include Public Safety. In that, revenues normally associated with municipal operations, (e.g. property tax, franchise fees, license fees, fines, and operating grants) are sufficient for the funding of these activities.

**Fund Financial Statements - Governmental Funds**

The fund financial statements provide more detailed information about the District’s most significant funds - not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for a particular purpose.

The District currently maintains one individual governmental fund type. This fund type includes the General Fund. Information is presented separately in the Governmental Funds Balance Sheet (Statement C) and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances (Statements E) for the General Fund which is considered to be a major fund.

The District adopts an annual budget for the General Fund. A statement of revenues, expenditures, and changes in fund balance for the General Fund is presented in the Required Supplemental Information (Schedule 1), which compares actual revenues and expenditures to the original budget and amended budget figures.

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Management Discussion and Analysis  
December 31, 2018

Financial Analysis of the District's Governmental Fund

The District's governmental fund (General Fund) reported an ending fund balance of \$594,137, which is a decrease of \$50,812. This decrease is caused by an increase in revenue from the previous year, while expenditures also increased due to the District now paying its own payroll.

General Fund Budgetary Highlights

The District did amend its original General Fund budget during the year.

Budgeted revenues did not exceed actual revenues by more than 5%. Actual expenditures did not exceed budgeted expenditures by more than 5%.

Capital Asset and Debt Administration

The total investment in net capital assets as of December 31, 2018 is \$195,542.

There were \$6,214 capital assets purchased in fiscal 2018.

Current Financial Factors

The District is not currently working on any projects.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Assistant Director, 303 Green St, Minden, LA 71058.

# WADE & PERRY

Certified Public Accountants  
A Professional Accounting Corporation  
Members: AICPA/ Society of LCPA's

## Independent Auditor's Report

Webster Parish Communications District  
Minden, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of Webster Parish Communications District ("District"), as of and for the year ended December 31, 2018, 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.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2018, 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 1 through 4 and 24 through 25 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 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 District's basic financial statements. The schedule of compensation paid elected officials and schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of compensation paid elected officials and schedule of compensation, benefits, and other payments to agency head are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of compensation paid elected officials and schedule of compensation, benefits, and other payments to agency head 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 a report dated June 21, 2019, on our consideration of the 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 the 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 District's internal control over financial reporting and compliance.

*Wade & Perry*  
Ruston, Louisiana  
June 21, 2019

Webster Parish Communications District  
Statement of Net Position  
December 31, 2018

ASSETS		
Cash and equivalents		\$339,974
Investments		158,587
Receivables		103,143
Prepaid items		22,151
Capital assets (net)		<u>195,542</u>
TOTAL ASSETS		<u><u>\$819,397</u></u>
LIABILITIES		
Accounts, salaries, and other payables		\$3,711
Accrued payroll liabilities		<u>24,161</u>
TOTAL LIABILITIES		<u><u>27,872</u></u>
NET POSITION		
Prior Period Adjustment		0
Net investment in capital assets		195,542
Unrestricted		<u>595,983</u>
TOTAL NET POSITION		<u><u>\$791,525</u></u>

The accompanying notes are an integral part of this statement.

Webster Parish Communications District  
Statement of Activities  
Year Ended December 31, 2018

	Program Revenues			Net (Expenses) Revenues and Changes of Primary Government
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental-type activities				
E911	\$597,942	\$549,261		(\$48,681)
Depreciation	34,369			(34,369)
Total governmental-type activities	<u>632,311</u>	<u>549,261</u>	<u>0</u>	<u>(83,050)</u>
Total primary government	<u>\$632,311</u>	<u>\$549,261</u>	<u>\$0</u>	<u>(\$83,050)</u>
General revenues:				
Investment earnings				5,807
Other general revenues				122
Total general revenues and transfers				<u>5,929</u>
Change in Net Position				(77,121)
Net Position - beginning				868,646
Prior Period Adjustment				0
Net Position - ending				<u>\$791,525</u>

The accompanying notes are an integral part of this statement.

Webster Parish Communications District  
 Balance Sheet, General Fund  
 December 31, 2018

ASSETS		
Cash and cash equivalents		\$339,974
Investments		158,587
Receivables		101,297
Prepaid assets		<u>22,151</u>
TOTAL ASSETS		<u><u>\$622,009</u></u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts, salaries, and other payables		\$3,711
Accrued payroll liabilities		<u>24,161</u>
Total liabilities		<u>27,872</u>
Fund balances:		
Restricted		0
Unassigned		<u>594,137</u>
TOTAL LIABILITIES AND FUND BALANCES		<u><u>\$622,009</u></u>

The accompanying notes are an integral part of this statement.

Webster Parish Communications District  
 Reconciliation of The Governmental Funds Balance Sheet  
 to The Government-Wide Financial Statement of Net Position  
 December 31, 2018

Amounts reported for governmental activities in the Statement of Net Position are different because:		
Fund balances, Total governmental funds (Statement C)		\$594,137
Receivables which are not available to pay for current period expenditures and therefore are unavailable in the funds		1,846
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Governmental capital assets	571,304	
Less accumulated depreciation	<u>(375,762)</u>	<u>195,542</u>
Total Net Position of Governmental Activities (Statement A)		<u><u>\$791,525</u></u>

The accompanying notes are an integral part of this statement.

Webster Parish Communications District  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - General Fund  
For the Year Ended December 31, 2018

REVENUES	
Fees and surcharges	\$440,927
State prepaid fees	106,488
Miscellaneous revenues	122
Use of money and property	5,807
Total Revenues	<u>553,344</u>
EXPENDITURES	
Public safety:	
Personnel services	283,445
Operating services	313,370
Travel & meetings	1,127
Capital outlay	6,214
Total Expenditures	<u>604,156</u>
Excess (Deficiency) of Revenues over Expenditures	(50,812)
OTHER FINANCING SOURCES (USES)	
Operating transfers in	0
Operating transfers out	0
Sale of Asset	0
Total Other Financing Sources (Uses)	<u>0</u>
Net Change in Fund Balances	(50,812)
Fund Balances -- beginning	644,949
Prior period adjustment	0
Fund Balances -- ending	<u>\$594,137</u>

The accompanying notes are an integral part of this statement.

Webster Parish Communications District  
 Reconciliation of The Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Year Ended December 31, 2018

Amounts reported for governmental activities in the Statement of Activities are different because:	
Net Change in Fund Balances, Total governmental funds (Statement E)	(\$50,812)
Revenues that are not available to pay current obligations are not reported in the fund financial statements, but they are presented as revenues in the Statement of Activities	1,846
Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$6,214) exceeded depreciation (\$34,369) in the current period.	<u>(28,155)</u>
Change in Net Position of Governmental Activities, (Statement B)	<u><u>(\$77,121)</u></u>

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

Webster Parish Communications District  
Notes to the Financial Statements  
As of and For the Year Ended December 31, 2018

## INTRODUCTION

The Webster Parish Communications District (“District”) was organized in 1990 to establish and provide E-911 emergency services to the residents of Webster parish. The District has seven commissioners comprising the board who are appointed by the Webster Parish Police Jury, including 3 “civilians”, 1 from the police sector, 1 from fire sector, and 1 from emergency medicine (hospital/ambulance). The District serves approximately 40,000 residents.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In June, 1999, the GASB unanimously approved Statement No. 34, *Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the District’s overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the District’s activities, including infrastructure (if any).
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

#### A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of Net Position and the statement of changes in Net Position) report information on all of the nonfiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charge to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Webster Parish Communications District  
Notes to the Financial Statements  
As of and For the Year Ended December 31, 2018

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The District reports the following governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources, except those required to be accounted for in another fund. The General fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the District's policy.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the governments enterprise operations. Elimination of those charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Webster Parish Communications District  
Notes to the Financial Statements  
As of and For the Year Ended December 31, 2018

C. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the District to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities. Investments for the District are reported at fair value. The state investment pool (LAMP) operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

D. Restricted Assets

Certain proceeds of the District's revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Position because their use is limited by applicable bond covenants.

E. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), purchased or acquired with an original cost of \$500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of the asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Straight line depreciation is used based on the same estimated useful lives listed below for the Webster Parish Police Jury.

<u>Description</u>	<u>Estimated Lives</u>
Buildings	20-40 years
Furniture and equipment	5-10 years
Vehicles	5 years

F. Compensated Absences

The District does not employ anyone. Therefore, no liability has been recorded.

G. Fund Equity

In the government wide statements, equity is classified as Net Position and displayed in three components:

- a. Net investment in capital assets - Consists 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 and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Webster Parish Communications District  
Notes to the Financial Statements  
As of and For the Year Ended December 31, 2018

- c. Unrestricted net position - Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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, expenditures, and expenses during the reporting period. Actual results could differ from the estimates.

2. CASH AND CASH EQUIVALENTS

At December 31, 2018, the District has cash and cash equivalents (book balances) totaling \$339,974 as follows:

Demand deposits	\$80,531
Interest-bearing demand deposits	151,436
Time deposits	<u>108,007</u>
Total	<u><u>\$339,974</u></u>

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 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. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2018, the District has \$498,561 in deposits (collected bank balances). These deposits are secured from risk by \$408,587 of federal deposit insurance and \$89,974 of pledged securities held by the custodial bank in the name of the fiscal agent bank. (GASB Category 3).

3. INVESTMENTS

Investments held at the District consist of \$158,587 (current assets) in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Cod Sec. 150.126, the investment in LAMP at the District is not categorized in the three risk categories provided by GASB Cod Sec. 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA - R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Webster Parish Communications District  
Notes to the Financial Statements  
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Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

#### 4. RECEIVABLES

The receivables of \$101,297 at December 31, 2018, are as follows:

Fees and surcharges	\$75,784
State prepaid fees	<u>25,513</u>
Total	<u><u>\$101,297</u></u>

#### 5. CAPITAL ASSETS

The following presents the changes in capital assets for the year ended December 31, 2018:

Balance, January 1, 2018	\$565,090
Additions	6,214
Deletions	<u>0</u>
Balance, December 31, 2018	571,304
Less accumulated depreciation	<u>(375,762)</u>
Net capital assets	<u><u>\$195,542</u></u>

#### 6. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$3,711 at December 31, 2018, are as follows:

Accounts	\$2,633
Credit card liability	<u>1,078</u>
Total	<u><u>\$3,711</u></u>

Webster Parish Communications District  
Notes to the Financial Statements  
As of and For the Year Ended December 31, 2018

7. LEASES

In July, 2012, the District entered into a 48-month lease for a copier. The lease requires 48 monthly payments of \$277 each beginning in March, 2015. Rental expenses were \$3,435 for the year ended December 31, 2018. At December 31, 2018, the future minimum lease payments are summarized as follows:

Fiscal year ending December 31:	
2019	<u>\$554</u>
Total minimum lease payments	<u><u>\$554</u></u>

8. LITIGATION AND CLAIMS

The District is not involved in any litigation at December 31, 2018, nor is it aware of any unasserted claims.

9. DATE OF MANAGEMENT REVIEW

Subsequent events have been evaluated through June 21, 2019, the date which the financial statements were available to be issued.

OTHER SUPPLEMENTAL SCHEDULES

Webster Parish Communications District  
 Schedule of Compensation, Benefits and Other Payments  
 to Agency Head or Chief Executive Officer  
 For the Year Ended December 31, 2018

Agency Head Name: Dal Taylor, Director

Purpose	
Salary	\$36,400
Benefits-insurance	17,000
Benefits-retirement	4,186
Travel - hotel	271
Travel - meals	29
Other - membership dues	550
Other - symposium registration	100
	<u>\$58,536</u>

REQUIRED SUPPLEMENTAL INFORMATION

Webster Parish Communications District  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balances - Budget and Actual (Cash basis)  
 For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts Cash Basis</u>	<u>Favorable (Unfavorable) Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Program revenues:				
Fees and surcharges	\$330,000	\$407,000	\$417,907	\$10,907
State prepaid fees	120,000	110,000	109,188	(812)
Miscellaneous revenues	100	100	122	22
Use of money & property	3,000	4,700	5,807	1,107
Total Revenues	<u>453,100</u>	<u>521,800</u>	<u>533,024</u>	<u>11,224</u>
<b>EXPENDITURES</b>				
Public safety:				
Personnel services	103,000	354,567	277,780	76,787
Operating services	94,550	113,560	192,293	(78,733)
Travel and other charges	2,200	2,200		2,200
Capital outlay				0
Contract Services	253,350	236,005	227,899	8,106
Total Expenditures	<u>453,100</u>	<u>706,332</u>	<u>697,972</u>	<u>8,360</u>
Excess (Deficiency) of Revenues over (under) Expenditures	0	(184,532)	(164,948)	19,584
Fund Balance (Deficit) at Beginning of Year	<u>650,046</u>	<u>650,046</u>	<u>650,046</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$650,046</u>	<u>\$465,514</u>	<u>\$485,098</u>	<u>\$19,584</u>

## Notes to the Schedule

(1) method of budgetary accounting - non-GAAP

Webster Parish Communications District  
Notes to the Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual (Non-GAAP)  
For the Year Ended December 31, 2018

NOTE A - BUDGETARY POLICIES

The proposed budget for the General Fund, prepared on the cash basis of accounting, is published in the official journal at least ten days prior to the public hearing and is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. A public hearing is held at the District's office for comments from taxpayers. The budget is then legally adopted by the District and amended during the year, as necessary. The budget is established and controlled by the District at the object level of expenditure. Appropriations lapse at year-end and must be re-appropriated for the following year to be expended. All changes in the budget must be approved by the District.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the budget comparison accompanying the financial statements include the original adopted budget amount and all subsequent amendments. Encumbrance accounting is not used by the District.

NOTE B – EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

Source/inflows of resources

Actual amounts (budgetary basis) "Total Revenues" from Schedule 1.	\$533,024
--	-----------

Differences - budget to GAAP:

The District budgets for property tax revenue only to the extent expected to be received, rather than on the modified accrual basis.

	20,320
--	--------

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds.

	\$553,344
--	-----------

Uses/outflows of resources

Actual amounts (budgetary basis) "Total Expenditures" from the Schedule 1.	\$697,972
--	-----------

Differences - budget to GAAP:

The District budgets for operating expenditures only to the extent expected to be paid, rather than on the modified accrual basis.

	(93,816)
--	----------

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds.

	\$604,156
--	-----------

OTHER REPORTS

# WADE & PERRY

Certified Public Accountants  
A Professional Accounting Corporation  
Members: AICPA/ Society of LCPA's

Report on Compliance and Other Matters and on Internal Control  
over Financial Reporting Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

## Independent Auditor's Report

Board of Commissioners  
Webster Parish Communications District  
Arcadia, Louisiana

We have audited, 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, the financial statements of the governmental activities of Webster Parish Communications District ("District") as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 21, 2019.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 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 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 statements 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 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Ruston, Louisiana  
June 21, 2019

Webster Parish Communications District  
 Schedule of Findings and Responses  
 For the Year Ended December 31, 2018

We have audited the financial statements of Webster Parish Communications District as of and for the year ended December 31, 2018, and have issued our report thereon dated June 21, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 21, 2019 resulted in an unqualified opinion. The following is a summary of our audit observations on internal control, tests of compliance, and findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*:

**A. Summary of Audit Results**

1. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses  Yes  No Significant Deficiency  Yes  No

Compliance

Compliance Material to Financial Statements  Yes  No

2. Federal Awards

Internal Control

Material Weaknesses  Yes  No Reportable  Yes  No

Type of Opinion On Compliance	Unqualified <input type="checkbox"/>	Qualified <input type="checkbox"/>
For Major Programs	Disclaimer <input type="checkbox"/>	Adverse <input type="checkbox"/>

Are their findings required to be reported in accordance with Uniform Guidance?

Yes  No

Was a management letter issued?

Yes  No

3. Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program (or Cluster)</u>
N/A	

---

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 750,000

Is the auditee a "low-risk" auditee?  Yes  No

**B. Financial Statements Findings**

None

**C. Federal Award Findings and Questioned Costs**

None

Webster Parish Communications District  
Summary of Prior Year Findings  
For the Year Ended December 31, 2018

**A. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS**

2017-1. Internal control deficiency for disbursements - one of the six selected disbursements in the review was paid for a different amount than the invoice.

Status: Resolved

**B. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS**

None

**C. MANAGEMENT LETTER**

None

# WADE & PERRY

Certified Public Accountants  
A Professional Accounting Corporation  
Members: AICPA/ Society of LCPA's

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Webster Parish Communications District and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Webster Parish Communications District (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### *Written Policies and Procedures*

---

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget  
The entity provided written policies and procedures regarding budgeting.
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.  
The entity provided written policies and procedures regarding purchasing.
  - c) ***Disbursements***, including processing, reviewing, and approving  
The entity provided written policies and procedures regarding disbursement.
  - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g.

periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

The entity provided written policies and procedures regarding receipts.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

The entity provided written policies and procedures for payroll/personnel.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

The entity provided written policies and procedures regarding contracting.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

The entity provided written policies and procedures regarding credit cards.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

The entity provided written policies and procedures regarding travel and expense reimbursement.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

The entity provided written policies and procedures regarding ethics.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The entity did not have written policies and procedures regarding debt service.

### ***Board or Finance Committee***

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- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.<sup>1</sup>

No exceptions.

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

No exception.

### ***Bank Reconciliations***

---

- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

No exceptions.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

No exceptions.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions.

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<sup>1</sup> Major funds are defined under GASB standards. The related procedure addresses major funds as a way to verify that boards are provided with financial information necessary to make informed decisions about significant entity operations, including proprietary operations that are not required to be budgeted under the LGBA.

## Collections

---

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Obtained a listing of deposit sites and the corresponding collection locations and management's representation that the listing is complete.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Only one employee responsible for collections.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

Employee who collects cash is also responsible for preparing/ making deposits.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Employee who collects cash is also responsible for posting to the general ledger.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

No exception.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

No exception.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

Receipts are not pre-numbered as receipts are all checks sent through the mail.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

Could not tell when checks were received.

- e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

---

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Obtained a listing of locations that process payments and management's representation that the listing is complete

- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Obtained a listing of all employees involved with non-payroll purchasing and payment functions.

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

No exception.

- b) At least two employees are involved in processing and approving payments to vendors.

No exception.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

The employee responsible for processing payments can add or modify vendor files with no outside review to vendor files.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

The employee who mails payments is also responsible for processing payments but does not sign checks.

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

Obtained a representation of the disbursement population for the fiscal period and management's assertion that the population is complete.

- a) Observe that the disbursement matched the related original invoice/billing statement.

No exceptions.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

No exceptions.

#### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

---

- 11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Obtained complete listing of all active credit cards, debit cards, fuel cards, and P-cards and management's representation that the listing is complete.

- 12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

No exceptions.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

No exceptions.

#### ***Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

---

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

There were no travel and travel-related expense reimbursements paid for the fiscal year.

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

No exceptions.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

No exceptions.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

No exceptions.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions.

#### ***Contracts***

---

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete.

Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

There were no contracts initiated or renewed during the fiscal year.

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law<sup>2</sup> (e.g., solicited quotes or bids, advertised), if required by law.

No exceptions.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

No exceptions.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

No exceptions.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions.

### ***Payroll and Personnel***

---

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Obtained a listing of employees/elected officials and management's representation that the listing is complete.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

No exceptions.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

No exceptions.

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<sup>2</sup> If the entity has adopted the state Procurement Code, replace "Louisiana Public Bid Law" with "Louisiana Procurement Code."

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

No exceptions.

- 18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Obtained a listing of terminated employees and management's representation that the listing is complete. The hours the employee was paid at termination agree to cumulative leave records but no authorized pay rate documentation was in the employee's personnel file.

- 19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Management represents all payments have been made but some were not paid timely but now an outside accountant is responsible for this.

### ***Ethics***

---

- 20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above<sup>3</sup>, obtain ethics documentation from management, and:

- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Observed documentation for one of the 5 employees selected.

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Observed documentation for one of the 5 employees selected.

### ***Debt Service***

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- 21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

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<sup>3</sup> If "payroll and personnel" have been rotated off for Year 2, the practitioner should insert a procedure with the same selection methodology that would have been used for payroll and personnel.

No bonds/notes were issued during the fiscal period.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

No bonds/notes were issued during the fiscal period.

### *Other*

---

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

No exceptions.

24. Observe that the entity has posted on its premises<sup>4</sup> and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.<sup>5</sup>

No exceptions.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*Wade Perry*

Ruston, LA

June 20, 2019

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<sup>4</sup> Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs.

<sup>5</sup> This notice is available for download or print at [www.lja.la.gov/hotline](http://www.lja.la.gov/hotline).

WEBSTER PARISH COMMUNICATIONS DISTRICT  
303 Green Street  
Minden, LA

June 20, 2019

Wade & Perry, CPAs  
Ruston, LA

The following is Management's Response to the 2018 AUP report submitted for Webster Parish Communications District.

WRITTEN POLICIES AND PROCEDURES

1. j) Debt Service  
Management will work toward documenting existing policy.

COLLECTIONS

5. b) Management will work toward implementing checks and balances.
- c) Management will work toward implementing checks and balances.
7. d) Management will work toward implementing and documenting policy.

DISBURSEMENTS

9. c) Management will work toward implementing checks and balances.
- d) Management will work toward implementing checks and balances.

PAYROLL AND PERSONNEL

18. Management will work toward maintaining accurate written pay rates.
19. Management has hired an outside accountant responsible for paying all payroll taxes, retirement, health insurance, and worker's compensation timely.

ETHICS

20. Management has already started documenting existing policy.