

MOREHOUSE PARISH COMMUNICATIONS DISTRICT
BASTROP, LOUISIANA

FINANCIAL REPORT
(Reviewed)

AND

REPORT ON APPLYING AGREED-UP ON PROCEDURES

December 31, 2019

HILL, INZINA & COMPANY

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CONTENTS

	Page(s)
INDEPENDENT ACCOUNTANT'S REVIEW REPORT	1 and 2
REQUIRED SUPPLEMENTARY INFORMATION (Part 1 of 2)	
Management's discussion and analysis	3 - 6
BASIC FINANCIAL STATEMENTS	
Government-wide financial statements:	
Statement of net position - governmental activities	7
Statement of activities - governmental activities	8
Fund financial statements:	
Balance sheet - governmental fund - general fund	9
Statement of revenues, expenditures, and changes in fund balance - governmental fund - general fund	10
Reconciliation of governmental funds balance sheet to government-wide statement of net position	11
Reconciliation of governmental funds statement of revenues, expenditures, and change in fund balances to government-wide statement of activities	12
Notes to financial statements	13 - 18
REQUIRED SUPPLEMENTARY INFORMATION (Part 2 of 2)	
Budgetary (non-GAAP) comparison schedule - governmental fund - general fund	19 and 20
OTHER SUPPLEMENTARY INFORMATION	
Schedule of compensation paid commissioners	21
Schedule of compensation, benefits, and other payments to agency head	22
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES	23 - 26
<i>LOUISIANA ATTESTATION QUESTIONNAIRE</i>	

HILL, INZINA & COMPANY

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Commissioners
Morehouse Parish Communications District
Bastrop, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and each major fund of Morehouse Parish Communications District (a component unit of Morehouse Parish) (the "District"), as of and for the year ended December 31, 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the District's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

The District's 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 the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity 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 be presented to supplement the basic financial statements. Such information, although not a required 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. The information is the responsibility of management. We have not audited or reviewed such required supplementary information and, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on it.

Other Supplementary Information

The other supplementary information is presented for purposes of additional analysis and also is not a required part of the basic financial statements. The information is the responsibility of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the other supplementary information and, accordingly, we do not express an opinion on such information.

Report on Agreed-Upon Procedures

In accordance with *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report dated June 27, 2020 on the results of our agreed-upon procedures.

/s/ Hill, Inzina & Co.

June 27, 2020

MOREHOUSE PARISH COMMUNICATIONS DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

As of and for the Year Ended December 31, 2019

As management of Morehouse Parish Communications District (the "District"), we offer 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, 2019. Please read it in conjunction with the District's basic financial statements. This discussion and analysis of management is designed to provide an objective and easy-to-read analysis of the District's financial activities based on currently known facts, decisions, or conditions. It is intended to provide readers with a broad overview of the District's finances. It is also intended to provide readers with an analysis of the short-term and long-term activities of the District 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 readers 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 years' challenges), identify any material deviations from the financial plan (the approved budget), and identify individual issues or concerns.

As with other sections of this financial report, the information contained within this discussion and analysis of management should be considered only a part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and supplementary information that are provided in addition to this discussion and analysis of management.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's financial statements. The District's basic financial statements consist of the following components:

1. Government-wide financial statements.
2. Fund financial statements.
3. Notes to financial statements.

In addition to the basic financial statements and accompanying notes, the District also includes in subsequent sections of this report additional information to supplement the basic financial statements.

1. Government-wide financial statements

Government-wide financial statements are designed to provide readers with a concise “entity-wide” statement of net position and statement of activities and to give the users of the financial statements a broad overview of the District’s financial position and results of operations in a manner similar to a private-sector business.

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 assets and liabilities 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. Evaluation of the overall economic health of the District would extend to other nonfinancial factors in addition to the financial information provided in this report.

The statement of activities presents information detailing how the District’s net position changed. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected fees).

The government-wide financial statements report governmental activities of the District that are principally supported by fees and services. Governmental activities include public safety.

2. Fund financial statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District’s only fund which is considered a major fund.

The District has only one fund type. The governmental fund is reported in the fund financial statements and encompasses essentially the same functions reported as governmental activities in the government-wide financial statements.

A reconciliation from both the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balance to the government-wide statements is provided to assist in understanding the differences between these two perspectives.

3. Notes to financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Government-Wide Financial Analysis

The following provides a summary of the net position of the District's governmental activities:

	Year Ended December 31,	
	2019	2018
Current and other assets	\$ 1,068,222	\$ 985,700
Capital assets	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,068,222</u>	<u>\$ 985,700</u>
Other liabilities	<u>\$ 124</u>	<u>\$ 7,595</u>
Net position:		
Invested in capital assets	\$ -	\$ -
Unrestricted	<u>1,068,098</u>	<u>978,105</u>
Total net position	<u>\$ 1,068,098</u>	<u>\$ 978,105</u>
Total liabilities and net position	<u>\$ 1,068,222</u>	<u>\$ 985,700</u>

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The District will use the unrestricted net position to meet the ongoing obligations to users of its services and creditors.

Governmental Activities

The following provides a summary of the District's changes in net position:

	Year Ended December 31,	
	2019	2018
Program revenues	\$ 228,795	\$ 236,438
General revenues	5,203	6,571
Public safety expenses	<u>(144,006)</u>	<u>(176,717)</u>
Changes in net position	<u>\$ 89,992</u>	<u>\$ 66,292</u>

Program revenues derive directly from the program itself, and fund all of the governmental activities. As a whole, they reduce the cost of the function to be financed from the District's general revenues. General revenues consist of interest earnings received to pay for governmental activities, if any, whose cost is not reduced by program revenues.

Budgetary Highlights

The District adopted an annual appropriated budget for its General Fund. The General Fund budget complied with financial policies approved by the Board of Commissioners and maintained core District services.

The District made one amendment to its original budget for the year ended December 31, 2019. Actual non-GAAP basis revenues of the General Fund of \$224,423 were less than budgeted revenues of \$227,000 (1.1%) and actual non-GAAP basis expenditures of \$151,352 were less than budgeted expenditures of \$157,500.

Capital Assets

The District's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2019 was \$0.

Economic Factors and Next Year's Budget

For the year ending December 31, 2020, the District anticipated that revenues would remain the same while expenditures were also budgeted to remain relatively unchanged from the final budget adopted for the year ended December 31, 2019.

BASIC FINANCIAL STATEMENTS

MOREHOUSE PARISH COMMUNICATIONS DISTRICT
BASTROP, LOUISIANA

STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
December 31, 2019

ASSETS

Cash	\$ 471,114
Certificates of deposit	541,271
User fees receivable	<u>55,837</u>
Total assets	<u>\$ 1,068,222</u>

LIABILITIES AND NET POSITION

Accrued payroll expenses	\$ 124
Net position - unrestricted	<u>1,068,098</u>
Total liabilities and net position	<u>\$ 1,068,222</u>

See independent accountant's review report and notes to financial statements.

MOREHOUSE PARISH COMMUNICATIONS DISTRICT
BASTROP, LOUISIANA

STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
For the Year Ended December 31, 2019

Expenses:

Current:

Public safety:

Commissioners' fees	\$ 1,005
Contractual services	26,400
Dispatchers' supplemental pay	8,088
Insurance	3,400
Legal and accounting	2,955
Maintenance and use	91,727
Materials and supplies	130
Office and postage	455
Salaries	6,497
Taxes - payroll	497
Telephone	<u>2,852</u>
Total expenses	\$ 144,006

Program revenues:

Public safety:

Charges for services	<u>228,795</u>
Net revenues	\$ 84,789

General revenues:

Interest and miscellaneous	<u>5,203</u>
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Change in net position	\$ 89,992
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Net position - beginning	<u>978,106</u>
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Net position - ending	<u><u>\$ 1,068,098</u></u>
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See independent accountant's review report and notes to financial statements.

MOREHOUSE PARISH COMMUNICATIONS DISTRICT
BASTROP, LOUISIANA

BALANCE SHEET - GOVERNMENTAL FUND - GENERAL FUND
December 31, 2019

ASSETS

Cash	\$ 471,114
Certificates of deposit	541,271
User fees receivable	<u>46,956</u>
Total assets	<u>\$ 1,059,341</u>

LIABILITIES AND FUND BALANCE

Accrued payroll expenses	\$ 124
Fund balance - unassigned	<u>1,059,217</u>
Total liabilities and fund balance	<u>\$ 1,059,341</u>

See independent accountant's review report and notes to financial statements.

MOREHOUSE PARISH COMMUNICATIONS DISTRICT
BASTROP, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
GOVERNMENTAL FUND - GENERAL FUND

For the Year Ended December 31, 2019

Revenues:

Fees and services	\$ 219,914
Interest and miscellaneous	<u>5,203</u>
Total revenues	<u>\$ 225,117</u>

Expenditures:

Current:

Public safety:

Commissioners' fees	\$ 1,005
Contractual services	26,400
Dispatchers' supplemental pay	8,088
Insurance	3,400
Legal and accounting	2,955
Maintenance and use	91,727
Material and supplies	130
Office and postage	455
Salaries	6,497
Taxes - payroll	497
Telephone	<u>2,852</u>
Total expenditures	<u>\$ 144,006</u>

Net change in fund balance	\$ 81,111
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Fund balance - beginning	<u>978,106</u>
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Fund balance - ending	<u><u>\$ 1,059,217</u></u>
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See independent accountant's review report and notes to financial statements.

MOREHOUSE PARISH COMMUNICATIONS DISTRICT
BASTROP, LOUISIANA

RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET
TO GOVERNMENT-WIDE STATEMENT OF NET POSITION
December 31, 2019

Total fund balance - governmental fund balance sheet	\$ 1,059,217
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Amounts reported for governmental activities in statement of net position are different because:

Certain revenues are not currently available at the end of the District's fiscal year and are not reported in the funds.	<u>8,881</u>
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Total net position of governmental activities - government-wide statement of net position	<u><u>\$ 1,068,098</u></u>
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See independent accountant's review report and notes to financial statements.

MOREHOUSE PARISH COMMUNICATIONS DISTRICT
BASTROP, LOUISIANA

RECONCILIATION OF GOVERNMENTAL FUND STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
December 31, 2019

Net change in fund balance - governmental fund - general fund	\$ 81,111
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Amounts reported for governmental activities in statement of
activities are different because:

Governmental funds do not report some revenues because they will not be collected for some time after fiscal year-end and are not "available" revenues	<u>8,881</u>
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Change in net position of governmental activities - government-wide statement of activities	<u>\$ 89,992</u>
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See independent accountant's review report and notes to financial statements.

MOREHOUSE PARISH COMMUNICATIONS DISTRICT
BASTROP, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

Note 1. Organization and Summary of Significant Accounting Policies

Morehouse Parish Communications District (the "District") is a component unit of Morehouse Parish. It was created by Ordinance No. 1151 adopted by the Police Jury of Morehouse Parish on November 9, 1987 in accordance with Louisiana Revised Statute 31:9101. The District is governed by a board of seven commissioners who are qualified voters and residents of the District and are appointed by Morehouse Parish Police Jury. The commissioners serve four-year terms that expire on a rotating basis and are compensated from \$35 to \$50 for each meeting attended.

The District was created for the purpose of owning and operating facilities to establish and operate a uniform emergency number to simplify the notification of public service personnel in the case of an emergency.

The District employs one part-time employee.

The District is considered a component unit of Morehouse Parish Police Jury, the financial reporting entity, as the commissioners are appointed by Morehouse Parish Police Jury and the District provides emergency service to all residents within Morehouse Parish.

The accompanying financial statements present information only on the funds maintained by the District and do not present information on Morehouse Parish Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

The more significant of the District's accounting policies are described below:

Government-Wide Financial Statements:

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the District as a whole as governmental activities, generally supported by program revenues.

NOTES TO FINANCIAL STATEMENTS

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include charges for services to users of the District's service. Other revenue sources not properly included with the program revenues are reported instead as general revenues.

Fund Financial Statements:

Fund financial statements are provided for the governmental fund.

Basis of Accounting, Measurement Focus, and Financial Statement Presentation:

The financial statements of the District are prepared in accordance with generally accepted accounting principles (GAAP).

The government-wide financial statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred.

Major revenue sources susceptible to accrual are user fees. In general, other revenues are recognized when cash is received.

Fund Type and Major Fund:

The District reports the General Fund as a major governmental fund. The General Fund is the general operating fund of the District and accounts for all financial resources.

NOTES TO FINANCIAL STATEMENTS

Budgets and Budgetary Accounting:

The Board of Commissioners adopted the annual budget for the General Fund on December 18, 2018. The annual budget was prepared on a non-GAAP budgetary basis of accounting. The Treasurer is authorized to transfer budgeted amounts within and among departments; however, any revisions that alter the total expenditures resulting from revenues exceeding amounts estimated must be approved by the Board of Commissioners. The only amendment was made to the budget on December 17, 2019 and the budgetary comparison schedule, included as supplementary information in the accompanying financial statements, includes the original and final amended budgeted amounts. All annual appropriations lapse at the end of each fiscal year.

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

Cash and Certificates of Deposit:

Cash includes amounts in demand deposits. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Receivables:

Receivables include user fees.

Uncollectible Allowance:

The statements contain no provision for uncollectible accounts. The District's management is of the opinion that such allowance would be immaterial in relation to the financial statements taken as a whole.

NOTES TO FINANCIAL STATEMENTS

Capital Assets and Depreciation:

Capital assets, which include property, plant, and equipment, with useful lives of more than one year are reported in the government-wide financial statements. Capital assets are capitalized at historical cost. The District maintains a threshold level of \$2,500 or more for capitalizing assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

As surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over useful lives of five or seven years.

Equity Classifications:

In the government-wide financial statements, equity is classified as net position and classified further into two components:

1. Net investment in capital assets - consists of capital assets net of accumulated depreciation.
2. Unrestricted - consists of all other assets.

In the fund financial statements, governmental fund equity is classified as fund balance. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation:

NOTES TO FINANCIAL STATEMENTS

- c. Committed fund balance - amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts that the District intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the General Fund.

Note 2. Cash and Deposits

The following is a summary of cash and deposits of the District as of December 31, 2019:

Non-interest bearing demand deposits	\$ 471,114
Time deposits	<u>541,271</u>
	<u>\$ 1,012,385</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 were held in the name of the pledging fiscal agent bank in a hold or custodial bank that was mutually acceptable to both parties.

As of December 31, 2019, the District had \$1,012,500 in deposits (collected bank balances). These deposits were secured from risk by \$791,271 of federal deposit insurance and \$221,229 of pledged securities held by the counterparty's trust department or agent in Morehouse Parish Police Jury's name. Capital One Bank has advised that it will make a separate pledge agreement for the District but in the meantime, assures the District that they are adequately covered.

There were no repurchase or reverse repurchase agreements as of December 31, 2019.

NOTES TO FINANCIAL STATEMENTS

Note 3. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2019 for the District is as follows:

	Balance January <u>1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	Balance December <u>31, 2019</u>
Capital assets being depreciated:				
Machinery and equipment	\$ 609,812	\$ -	\$ -	\$ 609,812
Less accumulated depreciation for:				
Machinery and equipment	<u>(609,812)</u>	<u>-</u>	<u>-</u>	<u>(609,812)</u>
Total capital assets being depreciated, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Depreciation expense, if any, is reported separately in the statement of activities.

Note 4. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District carries commercial insurance for all risks of loss.

Note 5. Subsequent Events

Subsequent events were evaluated through June 27, 2020, which is the day the financial statements were available to be issued, and it was determined that a significant event had occurred requiring disclosure.

A settlement agreement dated June 8, 2020 was offered by AT&T to the District to attempt to resolve the District's assertion that AT&T has not remitted 911 surcharges on its provision of wireless telephone services to customers within the parish. AT&T has agreed to pay the District a stated amount in a single lump sum. The agreement states that AT&T and the District agree to keep each and every term of the agreement confidential with given exceptions.

As of the date of this report, the agreement has not been executed by the District.

REQUIRED SUPPLEMENTARY INFORMATION (Part 2 of 2)

MOREHOUSE PARISH COMMUNICATIONS DISTRICT
BASTROP, LOUISIANA

BUDGETARY (NON-GAAP) COMPARISON SCHEDULE -
GOVERNMENTAL FUND - GENERAL FUND
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fees and services	\$ 226,000	\$ 225,000	\$ 215,525	\$(9,475)
Interest and miscellaneous	<u>2,000</u>	<u>2,000</u>	<u>8,898</u>	<u>6,898</u>
Total revenues	<u>\$ 228,000</u>	<u>\$ 227,000</u>	<u>\$ 224,423</u>	<u>\$(2,577)</u>
Expenditures:				
Public safety:				
Commissioners' fees	\$ 1,500	\$ 1,500	\$ 1,005	\$ 495
Contractual services	27,000	27,000	26,400	600
Dispatchers' supplemental pay	9,000	9,000	8,088	912
Insurance	4,000	4,000	3,400	600
Legal and accounting	4,000	4,000	2,955	1,045
Legal publishing	500	500	-	500
Maintenance and use	103,000	95,500	91,727	3,773
Materials and supplies	5,000	500	130	370
Office and postage	500	500	455	45
Salaries	6,500	6,500	6,497	3
Taxes - payroll	500	500	497	3
Telephone	3,500	3,000	2,852	148
Capital outlay	<u>5,000</u>	<u>5,000</u>	<u>7,346</u>	<u>(2,346)</u>
Total expenditures	<u>\$ 170,000</u>	<u>\$ 157,500</u>	<u>\$ 151,352</u>	<u>\$ 6,148</u>

(continued)

MOREHOUSE PARISH COMMUNICATIONS DISTRICT
BASTROP, LOUISIANA

BUDGETARY (NON-GAPP) COMPARISON SCHEDULE -
GOVERNMENTAL FUND - GENERAL FUND (Continued)
For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Net changes in fund balances	\$ 58,000	\$ 69,500	\$ 73,071	\$ 3,571
Fund balances (non-GAAP and GAAP budgetary basis) - beginning	<u>937,972</u>	<u>939,521</u>	<u>978,106</u>	<u>38,585</u>
Fund balances (non- GAAP and GAAP budgetary basis) - ending	<u>\$ 995,972</u>	<u>\$ 1,009,021</u>	\$ 1,051,177	<u>\$ 42,156</u>
Adjustments to generally accepted accounting principles:				
Expenditure accruals			7,347	
Revenue accruals			<u>693</u>	
Fund balances (GAAP basis) - ending			<u>\$ 1,059,217</u>	

See independent accountant's review report.

MOREHOUSE PARISH COMMUNICATIONS DISTRICT
BASTROP, LOUISIANA

SCHEDULE OF COMPENSATION PAID COMMISSIONERS
Year Ended December 31, 2019

Compensation of the commissioners is included in the public safety expenditures of the General Fund.

<u>Name and Title</u>	<u>Compensation</u>
Brain Shoemaker, Chairman	\$ 200
Allen Campbell	105
Jeremy Defee	105
Ted Parker	175
William Shepherd	175
Lawrence Robinson	140
Daniel Harris	<u>105</u>
Total compensation	<u>\$ 1,005</u>

See independent accountant's review report.

MOREHOUSE PARISH COMMUNICATIONS DISTRICT
BASTROP, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
As of and For the Year Ended December 31, 2019

The District paid no compensation, reimbursements, or benefits to an agency head during the year ended December 31, 2019.

See independent accountant's review report.

HILL, INZINA & COMPANY

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
Morehouse Parish Communications District
Bastrop, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Morehouse Parish Communications District (the "District") and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations during the year ended December 31, 2019, included in the accompanying *Louisiana Attestation Questionnaire*. The District's management is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Governmental Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the 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.

Our applied procedures, together with any findings, follow:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, or public works exceeding \$157,700. Compare the documentation for these expenditures to LSA-RS 38:2211-2296 (the public bid law) or R.S. 39:1551-39:1775 (the state procurement code), whichever is applicable; and report whether the expenditures were made in accordance with these laws.
 - Our review of expenditure totals and the detail general ledger revealed no individual checks for materials and supplies exceeding \$30,000 and no individual checks for or exceeding \$157,700 for public works.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the ethics law).

3. Obtain a list of all employees paid during the fiscal year.
4. Report whether any employees' names appear on both lists obtained in procedures 2 and 3.
 - The required information was provided. The employee included on the employee list in procedure 3 did not appear on the lists provided in procedure 2.
5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.
 - The required information was provided. No vendors appeared on both lists.

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.
7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.
 - Approval of the adoption of the budget and amendment were traced to the minutes with no exceptions being noted.
8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more.
 - We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Revenues did not fail to meet budgeted revenues by 5% or more and expenditures did not exceed budgeted expenditures by 5% or more.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and: (a) report whether the six disbursements agree to the amount and payee in the supporting documentation, (b) report whether the six disbursements are coded to the correct fund and general ledger account, and (c) report whether the six disbursements were approved in accordance with management's policies and procedures.

- We examined supporting documentation for each of the six selected disbursements and found that the payments agreed to the amount and payee in the supporting documentation, were coded to the correct fund and general ledger account, and were approved in accordance with management's policies and procedures.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.
 - The District is only required to post a notice of each meeting and the accompanying agenda on the door of the District's meeting location. We examined such documents and management has asserted that such were properly posted.

Debt

11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of banks loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.
 - We scanned bank deposits and the detail general ledger for the fiscal year and noted no deposits that appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan the documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.
 - A review of the minutes for the District for the fiscal year indicated no approval for the payments noted. We also inspected payroll records for the fiscal

year and noted no instances that would indicate payments to employees which would constitute bonuses, advances, or gifts.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

- The District's annual report will be timely filed.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2), and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

- The District was in compliance with R.S. 24:513.

Prior-Year Comments

15. Obtain and report management's representation as to whether any prior-year suggestions, recommendations, and/or comments have been resolved.

- No suggestions, recommendations, and/or comments were made in the prior year.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

This report is intended solely for the use of management of Morehouse Parish Communications District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

/s/ Hill, Inzina & Co.

June 27, 2020

LOUISIANA ATTESTATION QUESTIONNAIRE

1-14-20 (Date Transmitted)

HILL, INZINA & CO

701 East Madison Avenue

Bastrop, LA 71220

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below as of December 31, 2019 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes ☒ No ☐

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes ☒ No ☐

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes ☒ No ☐

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes ☒ No ☐

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes ☒ No ☐

We did not enter into any contracts that utilized state funds as defined in R.S. 39:721 A (2), and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes ☒ No ☐

We have complied with R.S. 24:513 A (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes ☒ No ☐

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.
Yes ☒ No ☐

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes ☒ No ☐

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes ☒ No ☐

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes ☒ No ☐

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes ☒ No ☐

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes ☒ No ☐

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes ☒ No ☐

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes ☒ No ☐

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes ☒ No ☐

The previous responses have been made to the best of our belief and knowledge.



Secretary 1/14/20 Date



Chairman 1/14/20 Date