

**ST. LANDRY PARISH ECONOMIC
DEVELOPMENT DISTRICT**

Opelousas, Louisiana

Financial Report

Year Ended June 30, 2019

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
St. Landry Parish Economic Development District
Opelousas, Louisiana

Report of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of St. Landry Parish Economic Development District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Landry Parish Economic Development District, as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2019, on our consideration of the St. Landry Parish Economic Development District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. Landry Parish Economic Development District's internal control over financial reporting and compliance.

Dannall, Sikes, & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
December 6, 2019

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Statement of Net Position
June 30, 2019

	Governmental Activities <u>2019</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 657,413
Certificate of deposit	1,853,789
Receivables - intergovernmental	19,925
Prepaid expenditures	<u>5,993</u>
Total current assets	<u>2,537,120</u>
Noncurrent assets	
Capital assets, net of depreciation	1,617,461
Utility deposit	<u>75</u>
Total noncurrent assets	<u>1,617,536</u>
Total assets	<u>\$ 4,154,656</u>
LIABILITIES	
Accounts payable	26,445
Other accrued liabilities	<u>696</u>
Total liabilities	<u>\$ 27,141</u>
NET POSITION	
Invested in capital assets, net of related debt	1,617,461
Unrestricted	<u>2,510,054</u>
Total net position	<u>\$ 4,127,515</u>

The accompanying notes are an integral part of this financial statement.

ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Statement of Activities
Year Ended June 30, 2019

Activities	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Operating Grants and Contributions	Revenues and Changes in Net Assets Total Governmental Activities
Governmental activities:					
General government	\$ 541,143	\$ 242,783	\$ -	\$ 25,000	\$ (273,360)
Total primary government	<u>\$ 541,143</u>	<u>\$ 242,783</u>	<u>\$ -</u>	<u>\$ 25,000</u>	<u>(273,360)</u>
General revenues:					
					12,551
					205,710
					6,230
					<u>224,491</u>
					(48,869)
					<u>4,176,384</u>
					<u>\$ 4,127,515</u>

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS (FFS)

ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Balance Sheet – Governmental Fund
June 30, 2019

	<u>General Fund</u> <u>2019</u>
ASSETS	
Cash and cash equivalents	\$ 657,413
Certificate of deposit	1,853,789
Receivables - intergovernmental	19,925
Utility deposit	75
Prepaid expenditures	<u>5,993</u>
Total assets	<u>\$ 2,537,195</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 26,445
Other accrued liabilities	<u>696</u>
Total liabilities	<u>27,141</u>
Fund balances:	
Nonspendable	
Prepaid expenditures	5,993
Utility deposit	75
Unassigned	<u>2,503,986</u>
Total fund balances	<u>2,510,054</u>
Total liabilities and fund balances	<u>\$ 2,537,195</u>

The accompanying notes are an integral part of this financial statement.

ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
June 30, 2019

Total fund balances for the governmental fund at June 30, 2019		\$ 2,510,054
Cost of capital assets at June 30, 2019	\$ 1,791,837	
Less: accumulated depreciation	<u>(174,376)</u>	<u>1,617,461</u>
Total net position of governmental activities at June 30, 2019		<u>\$ 4,127,515</u>

The accompanying notes are an integral part of this financial statement.

ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balances –
 Governmental Fund
 Year Ended June 30, 2019

	<u>General Fund</u> <u>2019</u>
Revenues:	
Intergovernmental	\$ 205,710
Rentals	242,783
Grant revenue	25,000
Investment income	12,551
Miscellaneous	<u>6,230</u>
Total revenues	<u>492,274</u>
Expenditures:	
Current -	
Contract services	17,836
Advertising & public relations	7,392
Capital outlay	173,459
Professional fees	49,316
Computer maintenance	7,858
Employee benefit program	23,165
Insurance	19,068
Utilities	28,036
Equipment rental	1,774
Maintenance	27,785
Office expense	22,714
Dues & subscriptions	4,664
Travel & conferences	15,195
Meals	2,842
Meeting expense	142
Payroll tax	17,805
Miscellaneous	48,033
Wages	<u>198,933</u>
Total expenditures	<u>666,017</u>
Net decrease in fund balances	(173,743)
Fund balances, beginning of year	<u>2,683,797</u>
Fund balances, end of year	<u>\$2,510,054</u>

The accompanying notes are an integral part of this financial statement.

ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Fund
to the Statement of Activities
Year Ended June 30, 2019

Total net change in fund balances per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ (173,743)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures; however, they are capitalized in the Statement of Net Position.	173,459
Depreciation expense does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds.	<u>(48,585)</u>
Total change in net position per Statement of Activities	<u>\$ (48,869)</u>

The accompanying notes are an integral part of this financial statement.

ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The entity being reported on is the St. Landry Parish Economic Development District (District). The financial report includes all funds over which the District exercises oversight responsibility. This responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

The District was established in compliance with Louisiana Revised Statutes 33:130.301 through 130.307 for the primary objective and purpose of promoting and encouraging the development of economic and industrial opportunities, stimulating the economy through renewed commerce and industry, and for the utilization and development of natural and human resources of the area providing job opportunities. The District is governed by a board of seventeen commissioners, of whom nine are appointed by the St. Landry Parish Municipal Association and eight are appointed by the St. Landry Parish Government. The commissioners may not receive per diem or be paid a salary for serving on the board. The boundaries of the District are the boundaries of St. Landry Parish.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the parish government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. The criteria include:

Appointing a voting majority of an organization's governing body, and

The ability of the parish government to impose its will on that organization and/or

The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the parish government.

Organizations for which the parish government does not appoint a voting majority but are fiscally dependent on the parish government.

Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

As the governing authority of the parish, for reporting purposes, the St. Landry Parish Government is the financial reporting entity for St. Landry Parish. The financial reporting entity consists of (a) the primary government (Parish Government), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion

ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Reporting Entity (Continued)

would cause the reporting entity's financial statements to be misleading or incomplete. The St. Landry Parish Economic Development District is not considered to be a component unit of the Parish Government:

- a. The District's commissioners are appointed by the Parish Government and by all municipalities of St. Landry Parish.
- b. The District possesses the corporate powers that would distinguish it as being legally separate from any other government.
- c. The District is fiscally independent in that it does not need approval from any other entity to adopt a budget, levy taxes or incur debt.

Basis of Presentation

The accompanying financial statements of the St. Landry Parish Economic Development District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include all the financial activities of the District. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

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

ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (FFS)

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

The funds of the District are classified into one category: governmental. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The General Fund of the District is considered to be a major fund. The funds of the District are described as follows:

Governmental Fund –

General Fund – This fund is the primary operating fund of the District. It is used to account for all financial resources except those that are required to be accounted for in another fund.

Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded with the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. The governmental fund utilizes a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- b. The government-wide financial statements utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position.

Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when 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 (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Assets, Liabilities, and Equity

Cash and cash equivalents

For purposes of the statement of net position, cash and cash equivalents include all demand accounts, savings accounts, and certificates of deposits of the District.

The District has established the policy of including all short-term, highly liquid investments with maturities of 90 or fewer days in cash and cash equivalents. 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.

The District considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Prepaid items

The District’s policy regarding prepaid expenditures is to record the portion of insurance premiums that is paid during the current fiscal year for future periods.

ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 for capitalizing capital assets.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided using the straight-line method of depreciation over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and Improvements	15-40 years
Furniture and Fixtures	5-10 years
Equipment	5 years
Land Improvements	5 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Net Position in the Government-wide Financial Statements

In the government-wide Statement of Net Position, the Net Position amounts is classified and displayed in three components:

- Invested in capital assets – This component 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 that are attributable to the acquisition, construction, or improvement of those capital assets.
- Restricted net position – This component consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – This component consists of all other net position that do not meet the definition of “restricted” or “invested in capital assets.”

Fund Equity – Fund Financial Statements

Governmental fund equity is classified as fund balance. The St. Landry Parish Economic Development District has implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures and utility deposits as being nonspendable as these items are not expected to be converted to cash.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of resources are either:
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the St. Landry Parish Economic Development District, which is the entity's highest level of decision-making authority. These amounts cannot be used for any other purposes unless the District removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed resources as of year-end.
- **Assigned:** This classification includes amounts that are constrained by the St. Landry Parish Economic Development District's intent to be used for a specific purpose but are neither restricted nor committed. This intent should be expressed by the District. The District did not have any assigned resources as of year-end.
- **Unassigned:** This classification is the residual fund balance of the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

When fund balance resources are available for a specific purpose in multiple classifications, the St. Landry Parish Economic Development District will generally use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, the District reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues, Expenditures and Expenses

Revenues

Program revenues for the governmental fund consist of operating grants and rental income. All other revenues are considered general.

Deferred Revenues

The District reports deferred revenues on both the Statement of Net Position (government-wide) and the Balance Sheet (fund financial statements). Deferred revenues arise when the District receives resources before it has a legal claim to them. In subsequent periods, when the District has a legal claim to the resources, the liability for deferred revenue is removed from the Statement of Net Position and the Fund Balance Sheet, whichever the case might be, and the revenue is recognized.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for the governmental fund.

In the fund financial statements, expenditures of the governmental fund are classified by character.

Budgetary and Budgetary Accounting

Operating budgets of proposed expenditures and the means of financing them were adopted for the governmental fund, consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted or as amended by the Board of Directors. Budgetary amendments require approval of the Board of Directors. All budgetary appropriations lapse at the end of each fiscal year.

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 and expenditures during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through December 6, 2019, the date the financial statements were available to be issued.

ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Notes to Basic Financial Statements

NOTE 2 CASH AND INTEREST-BEARING DEPOSITS

Under state law, the District may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The District may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2019, the District has cash and cash equivalents (book balances) totaling \$2,511,202 as follows:

Cash and demand deposits	\$ 37,175
Money market and savings accounts	620,238
Certificates of deposit	<u>1,853,789</u>
	<u>\$ 2,511,202</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. The following is a summary of deposit balances (bank balances) at June 30, 2019, and the related federal insurance and pledged securities:

Bank statements as of 6/30/19	<u>\$ 2,502,114</u>
Federal insurance	500,000
Pledged security statements as of 6/30/19	<u>2,787,579</u>
	<u>3,287,579</u>
Excess of pledged securities and federal insurance	<u>\$ 785,465</u>

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the District's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 CERTIFICATES OF DEPOSIT

The District holds two certificates of deposit with St. Landry Homestead. The certificates of deposit automatically have terms ranging from 12 to 18 months. The current interest rates on the certificates of deposit range from 0.45% to 0.50% with balances totaling \$1,853,789 as of June 30, 2019.

ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Notes to Basic Financial Statements

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Governmental activities:				
Furniture and fixtures	\$ 173,646	\$ -	\$ -	\$ 173,646
Equipment	28,984	1,694	-	30,678
Building	754,650	-	-	754,650
Building improvements	69,103	158,040	-	227,143
Land	591,995	-	-	591,995
Land improvements	-	13,725	-	13,725
Total	<u>1,618,378</u>	<u>173,459</u>	<u>-</u>	<u>1,791,837</u>
Less: accumulated depreciation				
Furniture and fixtures	62,799	16,668	-	79,467
Equipment	10,948	5,255	-	16,203
Building	47,017	19,060	-	66,077
Building improvements	5,027	6,458	-	11,485
Land improvements	-	1,144	-	1,144
Total	<u>125,791</u>	<u>48,585</u>	<u>-</u>	<u>174,376</u>
Net capital assets	<u>\$1,492,587</u>	<u>\$ 124,874</u>	<u>\$ -</u>	<u>\$ 1,617,461</u>

Depreciation charged to governmental function totaled \$48,585 for the year ended June 30, 2019.

NOTE 5 LEASE REVENUE

The District leases land to individuals and businesses under noncancelable operating leases with terms of one to thirty years. The following is a schedule, by year, of future minimum rentals under the leases as of June 30, 2019:

Fiscal Year Ending June 30,	Amount
2020	\$ 186,000
2021	186,000
2022	186,000
2023	186,000
2024	186,000
Thereafter	<u>945,500</u>
Total	<u>\$1,875,500</u>

ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Notes to Basic Financial Statements

NOTE 6 INTERGOVERNMENTAL REVENUE

The District receives a portion of Racino funds collected in St. Landry Parish. These funds are allocated by Louisiana State Statute. The amount of Racino revenue received by the District totaled \$130,850 for the year ended June 30, 2019. Racino funds receivable as of June 30, 2019 was \$11,124.

NOTE 7 CONDUIT DEBT OBLIGATIONS

The District has issued taxable revenue bonds for the purpose of financing the acquisition and construction of certain industrial facilities, which it leases to qualifying industrial businesses. Such facilities and the revenue derived from their leases are pledged to service the bonds.

These bonds do not constitute indebtedness or pledge of the general credit of the District. The District does not have any obligation for the debt beyond the resources provided by the related leases. Accordingly, neither the assets nor the related bonds are recorded on the District's books and are not included in the financial statements. The total principal balance outstanding on these bonds is \$30,883,090 as of June 30, 2019.

NOTE 8 RETIREMENT PLAN

Plan Description – The St. Landry Parish Economic Development District contributes to a SEP IRA, which is a defined contribution plan, on behalf of the eligible employees. All contributions made under this plan are fully vested and non-forfeitable. The plan may not be amended except to modify entries inserted in blanks or boxes provided in general eligibility requirements, timing of salary reductions elections, procedures for withdrawals and transfers by the designated financial institution, and the plan effective date.

Funding Policy – The St. Landry Parish Economic Development District contributes 12.5% of employees' salaries to the SEP IRA after 12 months of employment. The District's contributions to the SEP IRA during the year ended June 30, 2019 totaled \$23,165.

NOTE 9 SUBSEQUENT EVENT

As of August 1, 2019, a taxable revenue bond in the original amount of \$30,000,000 issued during 1999 and reflected in Note 7 as one of the two conduit debt obligations matured.

REQUIRED SUPPLEMENTARY INFORMATION

ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Budgetary Comparison Schedule
 General Fund
 Year Ended June 30, 2019

	Budget		Actual Amounts	Variance With Final Budget Positive or (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 208,885	\$ 192,244	\$ 205,710	\$ 13,466
Rentals	245,030	247,427	242,783	(4,644)
Grant revenue	45,094	45,493	25,000	(20,493)
Investment income	2,646	3,304	12,551	9,247
Miscellaneous	25	951	6,230	5,279
Total revenues	<u>501,680</u>	<u>489,419</u>	<u>492,274</u>	<u>2,855</u>
Expenditures:				
Current -				
Contract services	15,936	21,232	17,836	3,396
Advertising & public relations	20,000	6,852	7,392	(540)
Capital outlay	97,877	175,583	173,459	2,124
Professional fees	145,888	43,836	49,316	(5,480)
Computer maintenance	8,000	6,465	7,858	(1,393)
Employee benefit program	23,249	23,184	23,165	19
Insurance	9,538	11,272	19,068	(7,796)
Utilities	27,665	29,244	28,036	1,208
Equipment rental	1,989	2,015	1,774	241
Maintenance	23,565	26,793	27,785	(992)
Office expense	10,534	20,761	22,714	(1,953)
Dues & subscriptions	2,726	4,653	4,664	(11)
Travel & conferences	18,000	11,370	15,195	(3,825)
Meals	996	2,303	2,842	(539)
Meeting expense	125	188	142	46
Payroll tax	21,034	18,529	17,805	724
Miscellaneous	37,500	89,939	48,033	41,906
Wages	223,943	201,492	198,933	2,559
Total expenditures	<u>688,565</u>	<u>695,711</u>	<u>666,017</u>	<u>29,694</u>
Net decrease in fund balance	(186,885)	(206,292)	(173,743)	(26,839)
Fund balance, beginning of year	<u>2,683,797</u>	<u>2,683,797</u>	<u>2,683,797</u>	<u>2,683,797</u>
Fund balance, end of year	<u>\$2,496,912</u>	<u>\$2,477,505</u>	<u>\$2,510,054</u>	<u>\$ 2,656,958</u>

ADDITIONAL INFORMATION

ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Schedule of Compensation, Benefits, and Other Payments to Agency Head
General Fund
Year Ended June 30, 2019

Bill Rodier, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	S 126,247
Benefits - retirement	15,743
Reimbursements - travel	10,989
Reimbursements - other	13,574

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

Board of Commissioners
St. Landry Parish Economic Development District
Opelousas, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of St. Landry Parish Economic Development District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise St. Landry Parish Economic Development District's basic financial statements and have issued our report thereon dated December 6, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered St. Landry Parish Economic Development 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 St. Landry Parish Economic Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of St. Landry Parish Economic Development 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 St. Landry Parish Economic Development District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Dannall, Sikes, & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
December 6, 2019

ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

Part I Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report - Financial Statements

An unmodified opinion has been issued on St. Landry Parish Economic Development District's financial statements as of and for the year ended June 30, 2019.

Deficiencies and Material Weaknesses in Internal Control - Financial Reporting

No deficiencies or material weaknesses in internal control over financial reporting were disclosed during the audit of the financial statements.

Material Noncompliance - Financial Reporting

No instances of material noncompliance were noted during the audit of the financial statements.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended June 30, 2019.

Part II Findings Relating to an Audit in Accordance with *Governmental Auditing Standards*.

There were no deficiencies or material weaknesses in internal control over financial reporting or instances of material noncompliance noted during the audit.

Part III: Findings and Questioned Costs Relating to Federal Programs

At June 30, 2019, the St. Landry Parish Economic Development District did not meet the requirements to have a single audit in accordance with the Uniform Guidance, therefore this section is not applicable.

Part IV: Management Letter

The auditor did not issue a management letter this year.

ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Summary Schedule of Prior Year Findings
Year Ended June 30, 2019

This section is not applicable for the fiscal year ended June 30, 2019.

ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Management's Corrective Action Plan
Year Ended June 30, 2019

No current year findings were noted; therefore, no response is necessary.