

ST. LANDRY PARISH COMMUNICATIONS
DISTRICT

OPELOUSAS, LOUISIANA

FINANCIAL REPORT

DECEMBER 31, 2018

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VIGE, TUJAGUE  NOEL

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

151 N. 2ND STREET
P. O. BOX 1006
EUNICE, LOUISIANA 70535

SHIRLEY VIGE, JR., C.P.A.
FRANK G. TUJAGUE, C.P.A.
DOMINIQUE M. NOEL, C.P.A.

TELEPHONE:
337-457-9324
FAX:
337-457-8743

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
St. Landry Parish Communications District
Opelousas, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of St. Landry Parish Communications District as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Communications 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 of the St. Landry Parish Communications 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 budgetary comparison information, schedule of employer's share of net pension liability, and schedule of employer pension contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the St. Landry Parish Communications District. The accompanying schedule of compensation, benefits, and other payments to agency head and other supplementary information, as listed in the table of contents, as required by the State of Louisiana, is presented for purposes of additional analysis and is not a required part of the financial statements.

The other supplementary information and schedule of compensation, benefits, and other payments to agency head is 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments and other

supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2018, on our consideration of the St. Landry Parish Communications District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. Landry Parish Communications District's internal control over financial reporting and compliance.

The prior year comparative information has been derived from the St. Landry Parish Communications District's 2017 financial statements and, in our report dated May 10, 2018, we expressed unmodified opinions on the respective financial statements of the governmental activities.



Vige, Tujague & Noël, CPA's
Eunice, Louisiana
June 11, 2019

BASIC FINANCIAL STATEMENTS

The St. Landry Parish Communications District's basic financial statements comprise the following three components.

Government-wide financial statements – provides readers with a broad overview of St. Landry Parish Communications District's finances in a manner similar to a private sector business.

Fund financial statements – provide readers information with an emphasis on inflows and outflows of resources useful for making decisions in a budgetary context where the focus is on meeting the near-term financial needs.

Notes to basic financial statements – provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS
(GWFS)

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
 OPELOUSAS, LOUISIANA
 STATEMENT OF NET POSITION
 DECEMBER 31, 2018
 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2017

	2018	2017
ASSETS		
Cash	\$ 752,202	\$ 500,279
Receivables	187,042	170,458
Restricted cash	109,031	96,388
Prepaid expenses	14,187	13,566
Capital assets, net	2,414,568	2,251,536
Total assets	3,477,030	3,032,227
 DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	118,052	211,608
 LIABILITIES		
Current Liabilities:		
Accounts payable and accrued expenses	54,479	47,596
Current portion of lease payable	27,997	27,997
Current portion of bonds payable	45,631	43,736
Total current liabilities	128,107	119,329
Noncurrent Liabilities:		
Compensated absences	133,364	143,527
Bonds payable	1,758,224	1,803,858
Lease payable	93,881	122,003
Net pension liability	54,180	172,600
Total noncurrent liabilities	2,039,649	2,241,988
Total liabilities	2,167,756	2,361,317
 DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	163,779	30,444
 Net Position:		
Investments in capital assets, net of related debt	610,713	403,942
Restricted for debt service	109,031	96,388
Unrestricted	543,803	351,744
Total net position	\$ 1,263,547	\$ 852,074

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

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
 OPELOUSAS, LOUISIANA
 STATEMENT OF ACTIVITES
 FOR THE YEAR ENDED DECEMBER 31, 2018

Activities	Expenses	Program Revenues Fees, Fines, and Charges for Services	Net (Expense) Revenue and Changes in Net Position Governmental Activities
Governmental activities:			
General government			
Public safety	\$ 843,833	\$ 1,329,599	\$ 485,766
Interest and fees on debt	82,683	-	(82,683)
Total governmental activities	<u>\$ 926,516</u>	<u>\$ 1,329,599</u>	<u>403,083</u>

General revenues:

Interest and investment earnings	2,961
Miscellaneous	2
Nonemployer pension contributions	5,427
Total general revenues	<u>8,390</u>
Change in net position	411,473
Net position - December 31, 2017	<u>852,074</u>
Net position - December 31, 2018	<u>\$ 1,263,547</u>

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

FUND FINANCIAL STATEMENTS

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
 OPELOUSAS, LOUISIANA
 BALANCE SHEET - GOVERNMENTAL FUND
 DECEMBER 31, 2018
 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2017

	2018	2017
ASSETS		
Cash	\$ 752,202	\$ 500,279
Fees receivable	187,042	170,458
Restricted cash	109,031	96,388
Prepaid expenses	14,187	13,566
Total assets	\$ 1,062,462	\$ 780,691
LIABILITIES		
Liabilities:		
Accounts payable	\$ 6,503	\$ 6,269
Accrued wages payable	21,175	18,496
Payroll taxes payable	1,260	912
Accrued interest payable	630	645
Retirement payable	24,283	20,712
Supplemental insurance payable	628	562
Total liabilities	54,479	47,596
Fund balances:		
Restricted		
Reserve for debt service	109,031	96,388
Committed		
ANI/ALI equipment	200,000	200,000
Unassigned	698,952	436,707
Total fund balances	1,007,983	733,095
Total liabilities and fund balances	\$ 1,062,462	\$ 780,691

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

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
 OPELOUSAS, LOUISIANA
 RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 DECEMBER 31, 2018

Total fund balances for governmental funds at December 31, 2018		\$ 1,007,983
Total net assets reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Cost of capital assets at December 31, 2018	\$ 2,965,953	
Less: Accumulated depreciation	<u>(551,385)</u>	2,414,568
Amounts related to pension recognition are not due and payable in the current period and, therefore, are not reported in the funds		
		(99,907)
Long-term liabilities at December 31, 2018		
Compensated Absences		(133,364)
Lease Payable		(121,878)
Bond Payable		<u>(1,803,855)</u>
Total net position of governmental activities at December 31, 2018		<u>\$ 1,263,547</u>

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

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
 OPELOUSAS, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - GOVERNMENTAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018
 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2017

	2018	2017
Revenues:		
Charges for services		
Private sign reimbursements	\$ 26	\$ 48
Wireless telephone fees (including prepaid)	1,009,405	973,241
Records request income	724	167
Tower rental income	4,800	4,800
Land line telephone fees	314,644	284,420
Interest income	2,961	943
Miscellaneous	2	23,345
Total Revenues	1,332,562	1,286,964
Expenditures:		
Current		
Salaries	522,400	513,287
Payroll taxes	8,840	10,966
Retirement	56,693	56,161
Auto repair/maintenance	136	833
Auto fuel	2,329	1,950
Telephone - office	3,207	3,283
Telephone - cellular	3,167	3,778
Telephone - line expense	38,054	37,490
Education	1,907	400
Dues and subscriptions	683	784
Utilities	27,111	27,154
Professional fees	9,490	5,124
Insurance -		
Employees health	90,254	89,911
Workmen's compensation	3,676	3,950
Automobile	2,493	2,524
General liability	19,978	18,365
Management liability	4,988	5,127
Surety bonds	294	294
Life insurance - employees	760	822

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

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
OPELOUSAS, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2017

	<u>2018</u>	<u>2017</u>
Expenditures (continued):		
Office supplies	\$ 4,159	\$ 2,691
Postage	158	147
Office repairs/maintenance	17,280	7,063
Bank service charges	2	66
Housekeeping supplies	1,675	1,654
Personnel uniforms	2,304	-
Maintenance agreements	7,273	19,705
Tower maintenance expense	1,671	23,618
Addressing supplies	-	46
Travel expense	1,386	1,273
Radio system maintenance and improvements	8,384	1,555
Miscellaneous	231	892
Debt service (principal, interest and fees)	154,544	121,399
Capital outlay	62,147	150,000
Total Expenditures	<u>1,057,674</u>	<u>1,112,312</u>
Net change in fund balance	274,888	174,652
Fund balance, beginning	733,095	424,957
Fund balance, ending	<u>\$ 1,007,983</u>	<u>\$ 599,609</u>

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

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
 OPELOUSAS, LOUISIANA
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2018

Total net change in fund balance at December 31, 2018 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 274,888
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 62,147	
Depreciation expense for the year ended December 31, 2018	100,885	163,032
Decrease (increase) in long-term portion of compensated absences		10,163
Proceeds from the issuance of debt is recorded as revenue, but in the Statement of Net Assets, the issuance of debt results in a liability		
Net effect of pension liability recognition		(108,471)
Changes in long term debt:		
Bonds Payable	43,739	
Lease Payable	28,122	71,861
Total changes in net position at December 31, 2018 per Statement of Activities		\$ 411,473

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

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
OPELOUSAS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

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

A. REPORTING ENTITY

The St. Landry Parish Communications District was created by the St. Landry Parish Police Jury on July 15, 1991.

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, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the St. Landry 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. This criterion includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the parish government to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the parish government.
2. Organizations for which the parish government does not appoint a voting majority but are fiscally dependent on the parish government.
3. 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.

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
OPELOUSAS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

A. REPORTING ENTITY (continued)

The St. Landry Parish Communications District has control over their operations. This includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, power to incur debt and issue bonds, and the receipt and disbursement of funds. The St. Landry Parish Communications District is financially independent. Therefore, the District reports as an independent reporting entity and the financial statements include only the transactions of the St. Landry Parish Communications District.

Each of the following appoints one board member for the St. Landry Parish Communications District:

- St. Landry Parish Municipal Association
- Opelousas Police Department
- St. Landry Parish Sheriff's Department
- Eunice Police Department
- Paid Fire Departments
- Volunteer Fire Departments
- St. Landry Parish Government

B. BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The statement of net position and the statement of activities display information on all of the nonfiduciary activities of the St. Landry Parish Communications District, the primary government, as a whole. They include all funds of the reporting entity. For the most part, the effect of interfund activity has been removed from these statements. 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. Fiduciary funds are not included in the GWFS.

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 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, including all taxes, are presented as general revenues.

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
OPELOUSAS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

B. BASIS OF PRESENTATION (continued)

FUND FINANCIAL STATEMENTS

Fund financial statements of the St. Landry Parish Communications District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Fund financial statements report detailed information about the St. Landry Parish Communications District. As a general rule, interfund eliminations are not made in the fund financial statements

The various funds of St. Landry Parish Communications District are classified as governmental funds. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it's the primary operating fund of the Communications District or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type; and
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise funds are at least five percent of the corresponding total for all governmental and enterprise funds combined.

The St. Landry Parish Communications District reports the following major governmental fund:

General Fund. The general operating fund of the St. Landry Parish Communications District accounts for all financial resources, except those required to be accounted for in other funds.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
OPELOUSAS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (continued)

MEASUREMENT FOCUS

The fund financial statements utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

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 and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

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.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available”. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 60 days after year end.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principals and interest on general long-term debt which are recognized when due.

Purchases of various operating supplies are regarded as expenditures at the time purchased, and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year.

Expenditures for insurance and similar services which extend over more than one accounting period are accounted for as expenditures of the period of acquisition.

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
OPELOUSAS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

D. DEPOSITS AND INVESTMENTS

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

The St. Landry Parish Communications District is authorized by LA RS 39:1211-1245 and 33:2955 to invest in the following:

1. United States Treasury Bonds
2. United States Treasury Notes
3. United States Treasury Bills
4. Obligations of U.S. Government Agencies, including Federal Home Loan Bank bonds, Government National Mortgage Association Bonds, or a variety of “Federal Farm Credit” bonds.
5. Fully collateralized certificates of deposit issued by qualified commercial banks and savings and loan associations located within the State of Louisiana.
6. Fully collateralized repurchase agreements.
7. Fully collateralized interest-bearing checking accounts.
8. Mutual or trust fund institutions which are registered with the Securities and Exchange Commission under the Security Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States Government or its agencies.
9. Any other investment allowed by state statute for local governments.

E. RECEIVABLES

Receivable balances include wireless, prepaid, and landline income.

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
OPELOUSAS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

F. CAPITAL ASSETS

The St. Landry Parish Communications District does not have any infrastructure expenditures.

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated assets, which are recorded at their estimated fair value at the date of donation. The District's capitalization threshold is \$500.

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

Equipment	1-20 years
Vehicles	10 years
Building renovations	20 years
Building	40 years

The cost of normal maintenance and repairs that do not add to the values of the asset or materially extend asset lives are not capitalized. Interest costs incurred during construction are not capitalized.

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

G. ACCUMULATED ANNUAL LEAVE

Annual leave is provided to all regular District employees and employees are encouraged to take an annual vacation. Paid leave may not be accumulated for a period more than one year in addition to the present year in which leave is being earned. Unused paid leave time will be paid to an employee who severs ties with the District.

Paid (accrued, earned) leave may be used as sick leave, vacation leave, or personal time off. Paid leave will be earned by an employee in an amount dependent upon years of service to the District. Full time employees who have completed 0-5 years will accrue 40 hours of paid leave. Full time employees who have completed 6-10 years will accrue 80 hours of paid leave. Full time employees who have completed 11-15 years will accrue 120 hours of paid leave. Full time employees who have completed 16 or more years will accrue 160 hours of paid leave.

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
OPELOUSAS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

G. ACCUMULATED ANNUAL LEAVE (continued)

Once the maximum amount of paid leave is accumulated (two years worth) the employee may request, on their anniversary date, to be paid for the number of hours which exceeds their maximum allowance. If an employee has exhausted all of their paid leave and is unable to work due to illness or any reason covered under FMLA guidelines, the employee may apply for unpaid FMLA leave for up to twelve weeks.

H. LONG-TERM OBLIGATIONS

In the government-wide financial statements and fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities or statement of net position.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources net of the applicable premium or discount and payment of principal and interest reported as expenditures.

I. EQUITY CLASSIFICATIONS

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

1. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balance of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position – All other net position that does not meet the definition of “restricted: or “net investment in capital assets.”

When both restricted and unrestricted net positions are available for use, it is the District’s policy to use restricted resources first.

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
OPELOUSAS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

I. EQUITY CLASSIFICATIONS (continued)

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance reports aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

1. Restricted - Reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
2. Committed – Consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the board members – the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the board removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
3. Assigned - Reflects the amounts constrained by the District’s “intent” to be used for specific purposes but are neither restricted nor committed. The members of the board and the director have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.
4. Unassigned - This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted sources (the total of committed, assigned, and unassigned fund balance) are available for use, it is the District’s policy to use restricted resources first. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
OPELOUSAS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

J. 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 those estimates.

K. BUDGETS AND BUDGETARY ACCOUNTING

The District follows these procedures in establishing the budgetary data for the General Fund which is reflected in these financial statements:

1. The Executive Director and Executive Secretary prepare a proposed operating budget for the succeeding year.
2. The proposed budget is submitted to the Board of Commissioners for review and approval. A summary of the budget is published and made available for public inspection.
3. A public hearing is held during a regular monthly meeting of the District's Commission. The budget is then adopted by resolution of the Commission.
4. Amendments to any item of the budget must be approved by the Commission.
5. Budgets are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted, or as amended during the year by the Commission.
6. Operating appropriations, to the extent not expended or encumbered, lapse at year-end. Capital appropriations continue in force until the project is completed or deemed abandoned.

L. ENCUMBRANCES

The District does not utilize an encumbrance system.

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
OPELOUSAS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

M. FUND BALANCE

The District does not have a deficit fund balance.

N. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

O. ACCOUNTING PRONOUNCEMENTS

The Government Accounting Standards Board (GASB) has issued the following Statements which will become effective in futures years as shown below:

Statement No. 87, “*Leases*” increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 88, “*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*” improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The Statement clarifies which liabilities governments would include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, and significant subjective acceleration clauses. For notes to financial

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
OPELOUSAS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

O. ACCOUNTING PRONOUNCEMENTS (continued)

statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for reporting periods beginning after June 30, 2018. Management has not yet determined the effect of this Statement on the financial statements.

NOTE 2 – CASH AND CASH EQUIVALENTS

The cash and cash equivalents of the St. Landry Parish Communications District are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits. 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 or exceed 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. 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 bank has failed to pay deposited funds upon demand. Further Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the District's name.

Bank account balances at December 31, 2018, totaled \$822,314, and of this amount \$250,000 was secured by FDIC Insurance. The remaining amount of \$572,314 was secured with pledged securities from Iberia Bank.

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
 OPELOUSAS, LOUISIANA
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2018

NOTE 3 – CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2018 of the St. Landry Parish Communications District are as follows:

	Balance 12/31/2017	Additions	Deletions	Balance 12/31/2018
Governmental activities:				
Equipment	\$ 495,959	\$ 62,147	\$ -	\$ 558,106
Vehicles	54,430	-	-	54,430
Building	2,353,417	-	-	2,353,417
Totals	<u>2,903,806</u>	<u>62,147</u>	<u>-</u>	<u>2,965,953</u>
Less accumulated depreciation				
Equipment	\$ 230,078	\$ (39,215)	\$ -	\$ 190,863
Vehicles	35,713	(2,835)	-	32,878
Building	386,479	(58,835)	-	327,644
Total accumulated depreciation	<u>652,270</u>	<u>(100,885)</u>	<u>-</u>	<u>551,385</u>
Net capital assets	<u>\$ 2,251,536</u>	<u>\$ 163,032</u>	<u>\$ -</u>	<u>\$ 2,414,568</u>

As of the end of the rebanding project for St. Landry Parish, all parish public safety responders are operating on the State LWIN system. The Louisiana Wireless Interoperable Network (LWIN) System has undertaken a major initiative to enable seamless communication among all responders to an even or emergency in Louisiana and to improve information sharing and systems.

The 800 MHz system previously managed by the Communications District was obsolete and exceeded its expected lifespan. Motorola had previously advised the District that parts would no longer be manufactured and Motorola would no longer be obligated to provide support for the system.

Depreciation expenses for the year ended December 31, 2018 amounted to \$100,885.

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
 OPELOUSAS, LOUISIANA
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2018

NOTE 4 – LONG TERM LIABILITIES

Changes in long-term debt are as follows:

	Balances at January 1, 2018	Additions	Retirements	Balances at December 31, 2018	Balances Due Within One Year
Bond Payable	\$ 1,847,594	\$ -	\$ 43,739	\$ 1,803,855	\$ 45,631
Compensated Absences	143,527	-	10,163	133,364	-
Lease Payable	150,000	-	28,122	121,878	27,997
Total	<u>\$ 2,141,121</u>	<u>\$ -</u>	<u>\$ 82,024</u>	<u>\$ 2,059,097</u>	<u>\$ 73,628</u>

Compensated Absences – This debt consists of the long-term portion of accrued vacation and sick leave which employees have earned and are payable to them in the future.

Bond Payable – On April 28, 2008, the St. Landry Parish Communications District obtained a bond for the construction of a new building. The taxable revenue bond (Series 2008), numbered R-1, was delivered to the United States Rural Development Agency in the amount of \$2,310,000, bearing an interest rate of 4.25%. The bond is payable over a forty year period. The monthly payments for this loan began on May 28, 2009 in the amount of \$10,118.

According to the terms of the bond agreement, the St. Landry Parish Communication s District is required to deposit a sum equal to the amount of principal and interest due on the next payment date of the bond into a sinking fund account. Monthly payments are drafted from the sinking fund by the USDA on the 28th of each month.

Additionally, beginning in April 2009, the St. Landry Parish Communications District is required to deposit \$506 per month into a reserve fund until a balance of \$121,414 has been accumulated. This reserve fund is to be retained solely for the purpose of paying the principal and interest on bonds payable if the sinking fund were in default. The balance required in the reserve fund at December 31, 2018 is \$58,716. As of December 31, 2018, the balance in the reserve fund account is \$59,408.

The bond agreement also requires a contingency fund with a monthly deposit of \$506 until a balance of \$121,414 is reached, and then deposits will increase to \$1,012 per month. Money in the contingency fund shall be used to pay principal and interest on any bond when there are not sufficient funds in the sinking fund or reserve fund. The required balance at December 31, 2018

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
 OPELOUSAS, LOUISIANA
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2018

NOTE 4 – LONG TERM LIABILITIES (continued)

in the contingency fund is \$49,047. At December 31, 2018 the balance in the contingency fund is \$49,623.

Maturities of the bond are scheduled as follows:

Year Ending December 31,	USDA Rural Development Loan		
	Interest Payments	Principal Payments	Total
2019	\$ 75,783	\$ 45,631	\$ 121,414
2020	73,805	47,609	121,414
2021	71,742	49,672	121,414
2022	69,589	51,825	121,414
2023	67,343	54,071	121,414
2024-2028	299,470	307,600	607,070
2029-2033	226,783	380,287	607,070
2034-2038	136,921	470,149	607,070
2039-2042	31,224	397,011	428,235
	\$ 1,052,660	\$ 1,803,855	\$ 2,856,515

Lease Payable – On December 27, 2017, the St. Landry Parish Communications District entered into a five year lease purchase agreement with Government Capital Corporation, for the purpose of financing a 911 call taking system, in the amount of \$150,000, bearing an interest rate of 3.455%. Payments are due annually in the amount of \$33,180 beginning December 27, 2018. Lease payments are due as follows:

Year Ending December 31,	Interest Payments	Principal Payments	Total
2019	\$ 4,211	\$ 28,935	\$ 33,180
2020	3,211	29,935	33,180
2021	2,177	30,969	33,180
2022	1,107	32,039	33,180
	\$ 10,706	\$ 121,878	\$ 132,720

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
OPELOUSAS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 5 – DEBT REFUNDINGS

On November 14, 2007, the St. Landry Parish Communications District defeased the outstanding Certificates of Indebtedness Series 2006 with a principal balance of \$1,555,000. A payment of \$1,603,207 was deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 2006 Certificates of Indebtedness. As a result the Certificates of Indebtedness are considered to be defeased and the liability for the bond has been removed from the government-wide statement of net position.

The St. Landry Parish Communications District defeased the Certificates of Indebtedness Series 2006 and obtained a new loan for acquisition and construction of a new building and equipment through the United States Department of Agriculture (USDA). The new loan of \$2,310,000 from the USDA was obtained in May 2008 with fixed interest rate of 4.25%

NOTE 6 – PENSION PLAN

All employees of the District are members of the Parochial Employees' Retirement System of Louisiana, which is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established and provided for by R.S.11:1901 of the Louisiana Revised Statute (LRS).

The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elects to become members of the System.

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to these appropriate statutes for more complete information.

Eligibility Requirements:

All St. Landry Parish Communications District employees (13) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the System.

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
OPELOUSAS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 6 – PENSION PLAN (continued)

Retirement Benefits:

Any member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Age 55 with thirty (30) years of creditable service.
2. Age 60 with a minimum of ten (10) years of creditable service.
3. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with 30 years of service.
2. Age 62 with 10 years of service.
3. Age 67 with 7 years of service.

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits:

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes.

Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

Deferred Retirement Option Plan:

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement.

In lieu of terminating employment and accepting a service retirement, any member of Plan A who is eligible to retire may elect to participate in the Deferred Retirement Option Plan (DROP) in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
OPELOUSAS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 6 – PENSION PLAN (continued)

retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in the Deferred Retirement Option Plan (DROP) on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in DROP will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of DROP must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of DROP are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability Benefits:

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty.

Cost of Living Increases:

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements.

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
OPELOUSAS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 6 – PENSION PLAN (continued)

In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Employer Contributions:

According to state statute, contributions for all employers are actuarially determined each year. Covered employees were required by state statute to contribute 9.5% of their salary to the plan. The Commission was required by the same statute to contribute 11.5%. The Commission's contributions paid to PERS for the year ended June 30, 2018 was \$56,692.

According to state statute, the System also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

Non-employer contributions:

MPERS also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue during the year ended December 31, 2018. This amount totaled \$5,427.

At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for its participation in PERS:

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
 OPELOUSAS, LOUISIANA
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2018

NOTE 6 – PENSION PLAN (continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (35,072)
Changes in assumption	68,383	-
Net difference between projected and actual earnings on pension plan investments	-	(125,170)
Changes in proportion and differences between employer contributions and proportionate share of contributions	(7,023)	(3,537)
Employer contributions subsequent to measurement date	56,692	-
Total	<u>\$ 118,052</u>	<u>\$ (163,779)</u>

Deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date for PERS and the net difference between projected and actual earnings on pension plan investments of \$118,052, will be recognized as a reduction of the net pension liability during the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

Year Ended December 31:	<u>PERS</u>
2018	\$ 11,356
2019	(6,107)
2020	(41,239)
2021	(49,725)
Total	<u>\$ (85,715)</u>

Actuarial Methods and Assumptions:

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The components of the net pension liability of the System's employers as of December 31, 2017, are as follows:

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
OPELOUSAS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 6 – PENSION PLAN (continued)

	2018 <u>Plan A</u>	2017 <u>Plan A</u>
Total Pension Liability	\$ 2,740,775	\$ 2,949,861
Plan Fiduciary Net Position	(2,686,595)	(2,777,261)
Total Net Pension Liability	<u>\$ 54,180</u>	<u>\$ 172,600</u>
Proportionate Share of Net Pension Liability	0.072974%	0.085431%
Change in Proportion	0.012437%	0.0024509%

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2017, are as follows:

Valuation date	December 31, 2017
Actuarial cost method	Plan A - Entry Age Normal
Expected remaining service lives	4 years
Investment rate of return	6.75%, net of investment expense, including inflation
Projected salary increases	Plan A - 5.25%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.
Mortality	RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Tables were selected for annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.

The discount rate used to measure the total pension liability was 6.75% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
 OPELOUSAS, LOUISIANA
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2018

NOTE 6 – PENSION PLAN (continued)

Board of Trustees and the Public Retirement Systems’ Actuarial Committee. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Change in Assumptions:

Amounts reported in fiscal year ended December 31, 2017 for Parochial Employees' Retirement System reflect an adjustment in the discount rate used to measure the total pension liability. The discount rate for the System was reduced by 0.25% to 6.75% as of the valuation date December 31, 2017. Other changes are as follows:

Valuation Date	December 31, 2016	December 31, 2017
Inflation Rate	2.50%	2.5%

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.62% for the year ended December 31, 2017.

Best estimates of arithmetic real rates of return for each major asset class included in the System’s target asset allocation as of December 31, 2017 are summarized in the following table:

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
 OPELOUSAS, LOUISIANA
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2018

NOTE 6 – PENSION PLAN (continued)

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Portfolio Real Rate of Return</u>
Fixed Income	35%	1.24%
Equity	52%	3.63%
Alternative Investments	11%	0.63%
Real Assets	2%	0.12%
Total	<u>100%</u>	<u>5.62%</u>
Inflation		<u>2.00%</u>
Expected Arithmetic Nominal Return		<u>7.62%</u>

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2010 through December 31, 2014. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. The RP-2000 Healthy Annuitant Mortality Sex Distinct Tables (set forward two years for males and set forward one year for females) projected to 2031 using Scale AA was selected for annuitants and beneficiaries. For disabled annuitants, the RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females was selected. For active employees, the RP-2000 Employee Sex Distinct Tables set back 4 years for males and 3 years for females was used.

Sensitivity to Changes in Discount Rate:

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.75%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.00% or one percentage point higher 7.75% than the current rate.

	Changes in Discount Rate		
	Plan A		
	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability (Asset)	\$ 267,125	\$ 54,180	\$ (340,280)

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
OPELOUSAS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 6 – PENSION PLAN (continued)

Retirement System Audit Report:

Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2017. Access to the audit report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.la.state.la.us.

NOTE 7 – LEASE COMMITMENTS

On December 10, 2003, the St. Landry Parish Communications District entered into an operating lease for 16.175 acres of property for a total cost of \$99 which was paid in full on December 11, 2003. The lease was for a term of 99 years beginning on January 1, 2005.

NOTE 8 – RESTRICTED FUND BALANCE

This represents amounts restricted per bond agreement with USDA.

NOTE 9 – BOARD MEMBERS

Board Members of the St. Landry Parish Communications District are as follows for 2018:

Jude Moreau – Executive Director
Charles Watson
Richard Daigle
Marshall Moreau
Bobby Degueyter
Cindy Stelly
Mark Guidry

Board Members do not get paid for serving on the Board.

NOTE 10 – SUBSEQUENT EVENTS

Subsequent events were evaluated through June 11, 2019, which is the date the financial statements were available to be issued, for events requiring recording or disclosure in the organization's financial statements. As of June 11, 2019, there were no subsequent events noted.

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
OPELOUSAS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The St. Landry Parish Communications District does not provide any post-employment benefits to retirees other than pension and therefore is not required to report under GASB No. 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions.

NOTE 12 – FUND BALANCE CONSTRAINTS

The following is a summary of the fund balances of the District for the year ended December 31, 2018:

<u>General Fund</u>	
Restricted	
Reserved for debt service	\$ 109,031
Committed	
Maintenance of ANI/ALI equipment	200,000
Unassigned	<u>698,952</u>
Total General Fund balance	<u><u>\$ 1,007,983</u></u>

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
OPELOUSAS, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Charges for services				
Private sign reimbursements	\$ -	\$ 26	\$ 26	\$ -
Wireless telephone fees (including prepaid)	950,000	1,010,000	1,009,405	(595)
Records request income	-	724	724	-
Tower rental income	4,800	6,000	4,800	(1,200)
Land line telephone fees	285,000	290,000	314,644	24,644
Interest income	890	2,600	2,961	361
Miscellaneous	-	-	2	2
Total Revenues	<u>1,240,690</u>	<u>1,309,350</u>	<u>1,332,562</u>	<u>23,212</u>
Expenditures:				
Current				
Salaries	620,000	525,000	522,400	2,600
Payroll taxes	12,500	10,000	8,840	1,160
Retirement	68,000	60,000	56,693	3,307
Auto repair/maintenance	4,000	500	136	364
Auto fuel	4,000	2,600	2,329	271
Telephone - line expense	3,500	3,200	3,207	(7)
Telephone - cellular	4,000	3,200	3,167	33
Telephone - office	37,020	37,797	38,054	(257)
Education	4,000	1,250	1,907	(657)
Dues and subscriptions	1,000	3,000	683	2,317
Utilities	26,500	27,500	27,111	389
Professional fees	5,500	9,500	9,490	10
Insurance -				
Employees health	105,000	90,000	90,254	(254)
Workmen's compensation	4,000	3,676	3,676	-
Automobile	2,750	2,393	2,493	(100)
General liability	20,000	21,087	19,978	1,109
Management liability	5,500	4,600	4,988	(388)
Surety bonds	300	294	294	-
Life insurance - employees	1,000	850	760	90
Office supplies	3,000	4,000	4,159	(159)
Postage	200	200	158	42
Office repairs/maintenance	20,000	20,000	17,280	2,720
Bank service charges	-	10	2	8
Housekeeping supplies	1,500	2,500	1,675	825
Personnel uniforms	1,000	2,500	2,304	196

See notes to required supplementary information.

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
 OPELOUSAS, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018

Maintenance agreements	\$ 30,000	\$ 7,500	\$ 7,273	\$ 227
Tower maintenance expense	7,500	2,000	1,671	329
Addressing supplies	500	100	-	100
Travel expense	4,000	1,400	1,386	14
Radio system maintenance and improvements	50,000	10,000	8,384	1,616
Miscellaneous	500	700	231	469
Debt service (principal, interest and fees)	121,414	121,414	154,544	(33,130)
Capital outlay	33,180	95,000	62,147	32,853
Total Expenditures	<u>1,201,364</u>	<u>1,073,771</u>	<u>1,057,674</u>	<u>16,097</u>
Net change in fund balance	<u>\$ 39,326</u>	<u>\$ 235,579</u>	274,888	<u>\$ 39,309</u>
Fund balance, beginning			<u>733,095</u>	
Fund balance, ending			<u>\$1,007,983</u>	

See notes to required supplementary information.

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
 OPELOUSAS, LOUISIANA
 SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
 DECEMBER 31, 2018

	Fiscal Year	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of It's Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
PERS	2015	0.086994%	\$ 23,785	\$ 489,820	4.85%	99.15%
PERS	2016	0.085431%	224,879	497,016	45.25%	92.23%
PERS	2017	0.083806%	172,600	447,701	38.55%	94.15%
PERS	2018	0.072994%	54,180	492,978	10.99%	98.02%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
 OPELOUSAS, LOUISIANA
 SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTION
 DECEMBER 31, 2018

	Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percent of Covered Employee Payroll
PERS	2015	\$ 71,024	\$ 71,024	\$ -	\$ 489,820	14.50%
PERS	2016	64,612	64,612	-	497,016	13.00%
PERS	2017	56,161	56,161	-	447,701	12.54%
PERS	2018	56,692	56,692	-	492,978	11.50%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
OPELOUSAS, LOUISIANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2018

NOTE 1 – BASIS OF ACCOUNTING

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).

NOTE 2 – BUDGETARY PRACTICES

The District prepares and adopts a budget in accordance with LSA-RS 39:1301 et seq. The annual budget for the General Fund is prepared in accordance with the basis of accounting utilized by that fund.

Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are performed.

NOTE 3 – PENSION PLANS

Changes of Assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plans. These assumptions include the rate of investment return, mortality of plan members, rate of salary increase, rates of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plans.

VIGE, TUJAGUE ^{AND} NOEL
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

151 N. 2ND STREET
P. O. BOX 1006
EUNICE, LOUISIANA 70535

SHIRLEY VIGE, JR., C.P.A.
FRANK G. TUJAGUE, C.P.A.
DOMINIQUE M. NOEL, C.P.A.

TELEPHONE:
337-457-9324
FAX:
337-457-8743

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

To the Board of Commissioners
St. Landry Parish Communications 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 of the St. Landry Parish Communications District, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the St. Landry Parish Communications District's basic financial statements, and have issued our report thereon dated June 11, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the St. Landry Parish Communications District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the St. Landry Parish Communications District's internal control. Accordingly, we do not express an opinion on the effectiveness of the St. Landry Parish Communications 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the St. Landry Parish Communications District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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.



Vige, Tujague & Noël, CPA's
Eunice, Louisiana
June 11, 2019

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2018

We have audited the financial statements of St. Landry Parish Communications District as of and for the year ended December 31, 2018 and have issued our report dated June 11, 2019. 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. Our audit of the financial statements as of December 31, 2018 resulted in an unmodified opinion.

Section I Summary of Auditors' Reports

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

Internal Control

Material Weaknesses Yes No

Significant Deficiencies Yes None reported

Compliance

Compliance Material to Financial Statements Yes No

No separate management letter was issued.

Section II Financial Statement Findings

None.

Section III Internal Control and Compliance Material to Federal Awards

There were no federal awards for the year ended December 31, 2018.

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED DECEMBER 31, 2018

I Internal Control and Compliance Material to the Financial Statements

2017-001 Budget

Condition: Total actual expenses exceeded total budgeted expenses by greater than 5%.

Criteria: Louisiana Revised Statute 39:1310 states that the budget must be properly amended when total budgeted revenues exceed total actual revenues by 5% or more.

Cause: The budget was not properly amended to account for the lease signed on December 27, 2017.

Effect: Failure to properly amend the budget resulted in a variance beyond the 5% of budgeted expenses and results in noncompliance with budget laws.

Recommendation: We recommend that the District make the necessary amendments to the budget prior to year end for changes in revenues and expenditures incurred.

Response: The District will make the necessary amendments to the budget prior to year end for changes in estimated revenues and expenditures.

Status: This finding is cleared.

II Internal Control and Compliance Material to Federal Awards

The prior year's report did not include any federal awards.

III Management Letter

The prior year's report did not include a management letter.

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
OPELOUSAS, LOUISIANA
SCHEDULE OF INSURANCE IN FORCE (UNAUDITED)
DECEMBER 31, 2018

Insurer	Coverage	Risk Covered	Coverage Limits	Co-Insurance	Policy Period	
					From	To
LA Parish Government Risk Management	Worker's Compensation	Employees	\$ 1,000,000	None	1/1/2018	1/1/2019
American Alternative Insurance Group	General Liability	General Aggregate	\$ 2,000,000	None	7/7/2018	7/7/2019
		Products	\$ 2,000,000			
		Personal and Advertising Injury	\$ 1,000,000			
		Each Occurrence	\$ 1,000,000			
		Medical Expense	\$ 5,000			
		Public Employee Dishonesty				
		1 Executive Director	\$ 122,000			
		1 Executive Secretary	\$ 122,000			
		1 Addressing Supervisor	\$ 122,000			
		3 Board Members	\$ 122,000			
		Management Liability				
		Each Wrongful Act or Offense	\$ 1,000,000			
		Each Act for Injunctive Relief	\$ 50,000			
		Aggregate Limit	\$ 2,000,000			
		Excess				
		Each Occurrence Limit	\$ 2,000,000			
		Products	\$ 4,000,000			
Aggregate	\$ 4,000,000					
Property/Inland Marine		Building	\$ 2,935,596	None	7/7/2018	7/7/2019
		Personal Property	\$ 978,857			
		Tower/Equipment	\$ 289,891			
		Auto - Uninsured Motorist	\$ 1,000,000			
		Auto - Liability Limits	\$ 1,000,000			
		Auto - Underinsured Motorist	\$ 1,000,000			

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
 OPELOUSAS, LOUISIANA
 SCHEDULE OF BOARD MEMBERS
 DECEMBER 31, 2018

<u>Name/Title</u>	<u>Address/Telephone</u>	<u>Term</u>
Charles Watson Chairman	P.O. Box 158 Krotz Springs, Louisiana 70750 (337) 566-3600	1/4/2021
Cindy Stelly Sgt at Arms	P.O. Box 404 Krotz Springs, Louisiana 70750 (337) 308-0314	1/4/2020
Richard Daigle	300 S 2nd Street Eunice, Louisiana 70535 (337) 457-2626	1/4/2020
Mark Guidry	P.O. Box 1757 Opelousas, Louisiana 70571 (337) 948-2513	1/4/2021
Marshall Moreau	P.O. Box 1029 Opelousas, Louisiana 70571 (337) 948-6516	1/4/2022
Bobby Degueyter	P.O. Box 145 Leonville, Louisiana 70551 (337) 879-0035	1/4/2021
Russell Schexnaider	P.O. Drawer 1550 Opelousas, Louisiana 70571 (337) 407-1551	1/4/2022

ST. LANDRY PARISH COMMUNICATIONS DISTRICT
OPELOUSAS, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
DECEMBER 31, 2018

Agency Head Name: Jude Moreau, Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 85,347
Benefits-insurance	9,155
Benefits-retirement	9,815

ST. LANDRY PARISH
COMMUNICATIONS DISTRICT
STATEWIDE AGREED-UPON PROCEDURES REPORT
YEAR ENDED DECEMBER 31, 2018

VIGE, TUJAGUE NOEL

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

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P. O. BOX 1006
EUNICE, LOUISIANA 70535

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TELEPHONE:
337-457-9324
FAX:
337-457-8743

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Management and Board of Commissioners of the St. Landry Parish Communications District and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by St. Landry Parish Communications District 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 St. Landry Parish Communications District'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:

Report all exceptions to the following procedures, either after each procedure or after all procedures within each of the twelve AUP categories. "Random" selections may be made using Microsoft Excel's random number generator or an alternate method selected by the practitioner that results in an equivalent sample (e.g., those methods allowed under the AICPA Audit Guide-*Audit Sampling*).

Written Policies and Procedures

1. Obtain 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 does not have written policies and procedures addressing 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 does not have written policies and procedures addressing purchasing.

- c) **Disbursements**, including processing, reviewing, and approving

The entity does not have written policies and procedures addressing disbursements.

- 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 does not have written policies and procedures addressing receipts of revenue.

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

The entity has written policies and procedures addressing payroll.

- 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 does not have written policies and procedures addressing 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, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

The entity does not have any credit cards, debit cards or fuel 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 does not have written policies and procedures addressing 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 does not have written policies and procedures addressing ethics.

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

The entity does not have written policies and procedures addressing debt service.

Board (or Finance Committee, if applicable)

No exceptions in prior year. This category was excluded from testing in the current year.

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 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.
 - 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. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - 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.

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);
Bank reconciliations include evidence that they are prepared monthly.
 - 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
The bank reconciliations prepared for all accounts examined did not have evidence of management review.

- 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.

Obtained bank statements and reconciliations and noted there are no items that have been outstanding for more than 12 months from the statement closing date.

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 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.

There is only one employee collecting cash; therefore, there is no sharing of cash drawers.

- 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.

The employee responsible for collecting cash is also responsible for preparing bank deposits; however, another employee brings the deposit to the bank.

- 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.

The employee responsible for collecting cash is also responsible for posting collections to the general ledger. All revenue receipts are received in the form of a check and deposited by a person who is not responsible for collections.

- 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

The employee responsible for reconciling cash collections to the general ledger and/or subsidiary ledger, is also responsible for collecting cash. All revenue receipts are received in the form of a check and deposited by a person who is not responsible for collections.

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

The employee that has access to cash is covered by a bond or insurance policy for theft.

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.

There are no receipts given out. All checks are received by mail.

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

Traced receipts or collections documentation to the deposit slip with no exceptions.

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

Traced the deposit slip total to the actual deposit per the bank statement with 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).

Deposits selected were not made within one business day of receipt at the collection location. We were unable to determine the number of days from receipt to deposit. All revenue receipts are in the form of a check. Revenues are usually received at the end of each month, within a one-week time frame. Once all expected checks are received, a single deposit is made.

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

Traced the actual deposit per the bank statement to the general ledger with no exception.

Non-Payroll Disbursements – General (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 for the fiscal period 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:

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

The executive director initiates all purchases and payments are approved by the board of commissioners.

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

The executive director initiates all purchases and payments are approved by the board of commissioners.

- 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 also add vendors; however, all checks must be signed by a board member.

- 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 responsible for processing payments mails the payments after a board member signs the 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:

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

Obtained management's representation that the population is complete. No exceptions noted.

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

Obtained management's representation that the population is complete. The disbursement documentation did not include evidence of segregation of duties.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

No exceptions in prior year. This category was excluded from testing in the current year.

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

Travel and Expense Reimbursement

No exceptions in prior year. This category was excluded from testing in the current year.

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

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

Contracts

No exceptions in prior year. This category was excluded from testing in the current year.

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:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- 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).
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- 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.

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. No exceptions noted.

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 noted.

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

No exceptions noted.

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

No exceptions noted.

- 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.

Not applicable. No terminations during the fiscal year.

- 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.

Obtained management's representation and there were no exceptions noted.

Ethics

- 20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above 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.

Ethics compliance documentation was obtained for two out of the five selected employees.

- 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.

The entity does not have a written ethics policy in place; therefore, there is no documented verifications that the employees have read the entity's ethics policy during the fiscal period.

Debt Service

No exceptions in prior year. This category was excluded from testing in the current year.

- 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.

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.

Other

No exceptions in prior year. This category was excluded from testing in the current year.

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

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.

Vige, Tujague & Noel

Vige, Tujague & Noel
Eunice, Louisiana
June 11, 2019

ST. LANDRY PARISH COMMUNICATIONS DISTRICT

Management's Response to Statewide Agreed-Upon Procedures
For the Year Ended December 31, 2018

Management Response to Item:

- 1a, 1b, 1c, 1d, 1f, 1g,
1h, 1i, 1j, 20b The entity is in the process of compiling a cumulative collection of policies and procedures to be adopted at a board meeting.
- 3b A member of the board will initial the reconciliations to provide evidence of review.
- 5b, 5c, 5d, 9d, 10b Efforts will be made to segregate duties in these areas as much as possible with the limited number of employees involved.
- 7d The entities primary source of revenue is received in the form of several checks from wireless, prepaid and landline telephone companies, and the Louisiana Department of Revenue. Due to the limited number of employees involved in this process, and the revenue source, it is not feasible for the entity to make deposits on a daily basis.
- 20a All employees are in the process of obtaining the required ethics training and will continue to do so in the future.



Charles Watson, Board Chairman