

CENTRAL ST. LANDRY
ECONOMIC DEVELOPMENT DISTRICT
Opelousas, Louisiana

Financial Report

Year Ended December 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Central St. Landry Parish Economic Development District
Opelousas, Louisiana

We have audited the accompanying financial statements of the governmental activities and major fund of the Central St. Landry Parish Economic Development District (District) (a component unit of St. Landry Parish Government), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Central St. Landry Parish Economic Development 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 budgetary comparison information found on page 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted 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.

Other Information

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of compensation, benefits, and other payments to agency head on page 25 is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The schedule of compensation, benefits, and other payments to agency head is the responsibility of management and was derived from the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit and the procedures performed as described above, the schedule of compensation, benefits, and other payments to agency head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of 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 the District's internal control over financial reporting and compliance.

Dannall, Sikes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana

June 24, 2019

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

CENTRAL ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Statement of Net Position
Governmental Activities
December 31, 2018

ASSETS

Current assets:	
Cash and cash equivalents	\$ 1,017,258
Sales tax receivable	273,412
Prepaid insurance	<u>1,655</u>
Total current assets	<u>1,292,325</u>
Noncurrent assets	
Capital assets, net of depreciation	<u>74,346</u>
Total noncurrent assets	<u>74,346</u>
Total assets	<u>\$ 1,366,671</u>

LIABILITIES

Accounts payable	60,322
Admin fee payable	<u>11,676</u>
Total liabilities	<u>\$ 71,998</u>

NET POSITION

Invested in capital assets, net of related debt	74,346
Unrestricted	<u>1,220,327</u>
Total net position	<u>\$ 1,294,673</u>

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

CENTRAL ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Statement of Activities
Year Ended December 31, 2018

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Assets Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 196,378	\$ -	\$ -	\$ -	\$ (196,378)
Total primary government	<u>\$ 196,378</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(196,378)</u>
		General revenues:			
				Sales tax	<u>1,470,726</u>
				Total general revenues and transfers	<u>1,470,726</u>
				Change in net position	1,274,348
				Net position - beginning of year	<u>20,325</u>
				Net position - end of year	<u>\$ 1,294,673</u>

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

FUND FINANCIAL STATEMENTS (FFS)

CENTRAL ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Balance Sheet – Governmental Fund
General Fund
December 31, 2018

ASSETS

Cash and cash equivalents	\$ 1,017,258
Sales tax receivable	273,412
Prepaid insurance	<u>1,655</u>
Total assets	<u>\$ 1,292,325</u>

LIABILITIES AND FUND BALANCES

Liabilities:	
Accounts payable	\$ 60,322
Admin fee payable	<u>11,676</u>
Total liabilities	<u>71,998</u>

Fund balances:	
Nonspendable	
Prepaid expenditures	1,655
Unassigned	<u>1,218,672</u>
Total fund balances	<u>1,220,327</u>

Total liabilities and fund balances	<u>\$ 1,292,325</u>
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The accompanying notes are an integral part of the basic financial statements.

CENTRAL ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
December 31, 2018

Total fund balances for the governmental fund at December 31, 2018		\$ 1,220,327
Cost of capital assets at December 31, 2018	\$ 74,346	
Less: accumulated depreciation	<u> -</u>	<u> 74,346</u>
Total net position of governmental activities at December 31, 2018		<u>\$ 1,294,673</u>

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

CENTRAL ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balances –
Governmental Fund – General Fund
Year Ended December 31, 2018

Revenues:	
Sales tax revenue	\$ 1,470,726
Total revenues	<u>1,470,726</u>
Expenditures:	
Current -	
Admin fee	43,876
Advertising & promotion	105
Capital outlay	74,346
Engineering fees	12,558
Feasibility study	46,200
Insurance	682
Mowing & litter removal	78,012
Professional fees	14,523
Repairs & maintenance	<u>422</u>
Total expenditures	<u>270,724</u>
Excess of revenues over expenditures	<u>1,200,002</u>
Net increase in fund balances	1,200,002
Fund balances, beginning of year	<u>20,325</u>
Fund balances, end of year	<u>\$ 1,220,327</u>

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

CENTRAL ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Fund
to the Statement of Activities
Year Ended December 31, 2018

Total net change in fund balances per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 1,200,002
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures; however, they are capitalized in the Statement of Net Position.	<u>74,346</u>
Total change in net position per Statement of Activities	<u>\$ 1,274,348</u>

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

CENTRAL ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

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

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

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

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

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

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

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

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

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

CENTRAL ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Notes to Basic Financial Statements

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

Financial Reporting Entity (Continued)

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

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

Basis of Presentation

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

Government-Wide Financial Statements (GWFS)

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

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

CENTRAL ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Notes to Basic Financial Statements

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

Basis of Presentation (Continued)

Fund Financial Statements (FFS)

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

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

Governmental Fund –

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

Measurement Focus/Basis of Accounting

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

Measurement Focus

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

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

CENTRAL ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Notes to Basic Financial Statements

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

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

Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Assets, Liabilities, and Equity

Cash and cash equivalents

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

The District has established the policy of including all short-term, highly liquid investments with maturities of 90 or fewer days in cash and cash equivalents. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

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

Prepaid items

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

CENTRAL ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Notes to Basic Financial Statements

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

Capital assets

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

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

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

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

Net Position in the Government-wide Financial Statements

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

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

Fund Equity – Fund Financial Statements

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

CENTRAL ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Notes to Basic Financial Statements

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

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

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

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

CENTRAL ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Notes to Basic Financial Statements

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

Revenues, Expenditures and Expenses

Revenues

Sales tax revenues are considered general.

Expenditures/Expenses

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

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

Budgetary and Budgetary Accounting

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

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through June 24, 2019, the date the financial statements were available to be issued. There were no events that required disclosure.

CENTRAL ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Notes to Basic Financial Statements

NOTE 2 CASH AND INTEREST-BEARING DEPOSITS

Under state law, the District may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The District may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. The District does not have a policy for custodial credit risk. At December 31, 2018, the District has cash and cash equivalents (book balances) totaling \$1,017,258 as follows:

Cash and demand deposits	<u>\$ 1,017,258</u>
	<u>\$ 1,017,258</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The following is a summary of deposit balances (bank balances) at December 31, 2018, and the related federal insurance and pledged securities:

Bank balances	<u>\$ 1,074,182</u>
Federal insurance	250,000
Pledged securities (category 3)	<u>995,929</u>
	<u>1,245,929</u>
Excess of pledged securities and federal insurance	<u>\$ 171,747</u>

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

CENTRAL ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Notes to Basic Financial Statements

NOTE 3 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 was as follows:

	<u>Balance 12/31/2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2018</u>
Governmental activities:				
Construction in Progress	\$ -	\$ 74,346	\$ -	\$ 74,346
Net capital assets	<u>\$ -</u>	<u>\$ 74,346</u>	<u>\$ -</u>	<u>\$ 74,346</u>

Depreciation charged to governmental function totaled \$0 for the year ended December 31, 2018.

NOTE 4 SALES TAX REVENUE

On September 6, 2017, the St. Landry Parish Council adopted Ordinance No. 2017-009, extending the levy of the 2.00% Sales and Use Tax levied by the Harry Guilbeau Area Economic Development District into the expanded area of the renamed Central St. Landry Economic Development District, State of Louisiana. This adoption also amends the original Ordinance passed by reducing the rate of such tax from 2% to 1%.

The local tax rate currently being collected in this District is 7.55%. Effective January 1, 2018, this rate will be reduced to 6.75% for taxable transactions or deliveries that occur within the newly extended District, within the corporate city limits of Opelousas or 6.55% for transactions within the newly extended district, within the unincorporated areas of Opelousas.

REQUIRED SUPPLEMENTARY INFORMATION

CENTRAL ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Budgetary Comparison Schedule
 General Fund
 Year Ended December 31, 2018

	Budget		Actual Amounts	Variance With Final Budget Positive or (Negative)
	Original	Final		
Revenues:				
Parish govt revenue	\$ 37,187	\$ -	\$ -	\$ -
Sales tax revenue	1,000,000	1,164,905	1,470,726	305,821
State reimbursement	-	13,826	-	(13,826)
Total revenues	<u>1,037,187</u>	<u>1,178,731</u>	<u>1,470,726</u>	<u>291,995</u>
Expenditures:				
Current -				
Admin fee	-	44,836	43,876	960
Advertising & promotion	7,426	300	105	195
Capital outlay	500,000	55,510	74,346	(18,836)
Engineering fees	-	6,975	12,558	(5,583)
Feasibility study	-	111,000	46,200	64,800
Insurance	-	2,837	682	2,155
Mowing & litter removal	-	87,906	78,012	9,894
Office expenses & supplies	1,191	524	-	524
Professional fees	35,352	15,123	14,523	600
Repairs & maintenance	-	5,150	422	4,728
Total expenditures	<u>543,969</u>	<u>330,161</u>	<u>270,724</u>	<u>59,437</u>
Excess of revenues over expenditures	<u>493,218</u>	<u>848,570</u>	<u>1,200,002</u>	<u>351,432</u>
Net increase in fund balance	493,218	848,570	1,200,002	351,432
Fund balance, beginning of year	<u>20,325</u>	<u>20,325</u>	<u>20,325</u>	<u>-</u>
Fund balance, end of year	<u>\$ 513,543</u>	<u>\$ 868,895</u>	<u>\$ 1,220,327</u>	<u>\$ 351,432</u>

ADDITIONAL INFORMATION

CENTRAL ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Schedule of Compensation, Benefits, and Other Payments to Agency Head
General Fund
Year Ended December 31, 2018

Franck D. Helton, Jr., President

<u>Purpose</u>	<u>Amount</u>
Salary	\$0
Benefits - insurance	0
Benefits - retirement	0
Benefits - other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0

**COMPLIANCE
AND
INTERNAL CONTROL**



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 Directors
Central St. Landry Parish Economic Development District
Opelousas, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of the Central St. Landry Parish Economic Development District, as of and for the year ended December 31, 2018, and the related notes to the financial statements which collectively comprise the District's basic financial statements and have issued our report thereon dated June 24, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Central St. Landry Parish Economic Development District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Central St. Landry Parish Economic Development District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Board of Directors, management, and others within the organization and is not intended to be and should not be used by anyone other than those specific parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document, therefore its distribution is not limited.

Dawall, Sikes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana

June 24, 2019

CENTRAL ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Schedule of Findings and Questioned Costs
Year Ended December 31, 2018

Part I: Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report – Financial Statements

An unmodified opinion has been issued on Central St. Landry Parish Economic Development District financial statements as of and for the year ended December 31, 2018.

Internal Control Deficiencies – Financial Reporting

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

Material Noncompliance – Financial Reporting

No instances of noncompliance were disclosed during the audit of the financial statements.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended December 31, 2018.

Part II: Findings Relating to an Audit in Accordance with *Government Auditing Standards*

This section is not applicable for the fiscal year ended December 31, 2018.

Part III: Findings and Questioned Costs Relating to Federal Programs

At December 31, 2018, the Central St. Landry Parish Economic Development District did not meet the requirements to have a single audit in accordance with OMB Uniform Guidance, therefore this section is not applicable.

CENTRAL ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Summary Schedule of Prior Year Audit Findings
Year Ended December 31, 2018

This section is not applicable for the fiscal year ended December 31, 2018.

CENTRAL ST. LANDRY PARISH ECONOMIC DEVELOPMENT DISTRICT

Management's Corrective Action Plan
Year Ended December 31, 2018

This section is not applicable for the fiscal year ended December 31, 2018.



INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Frank D. Helton, Jr., President
Central St. Landry Economic Development District
5367 I 49 S Service Rd.
Opelousas, LA 70570

We have performed the procedures enumerated below, which were agreed to by Central St. Landry Economic Development District (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 year ended December 31, 2018. The 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:

Written Policies and Procedures

1. Obtain and inspect the District's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the District's operations):
 - a) **Budgets**, including preparing, adopting, monitoring, and amending the budget.

Written policies and procedures were obtained and address the functions noted above.

- 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.

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

- 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).

This section is not applicable.

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

This section is not applicable.

- 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.

Written policies and procedures were obtained and address the functions noted above.

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

This section is not applicable.

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

Written policies and procedures were obtained and address the functions noted above.

- 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 District's ethics policy.

Written policies and procedures were obtained and address the functions noted above.

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

This section is not applicable.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Obtained and reviewed minutes of the board for the fiscal period noting that the board met monthly in accordance with the District's policy.

- 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 District's collections during the fiscal period.*

Minutes include reference to monthly budget-to-actual comparisons.

- 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.

The District did not have a negative ending unrestricted fund balance in the prior year compilation report.

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 District's main operating account. Select the District'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:

Obtained a listing of client bank accounts from management and management provided representation that the listing is complete. We selected the one bank account maintained by the District.

- 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 did include evidence that they were prepared within 2 months of the related statement closing date.
- 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

Bank reconciliations did include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.

- 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.

There are not reconciling items that have been outstanding for more than 12 months on the bank reconciliations.

Collections

This section is not applicable.

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

4. 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 listing of disbursements and management provided representation that the listing is complete.
5. For each location selected under #4 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.
Observed that two individuals are involved in the processes noted above.
 - b) At least two employees are involved in processing and approving payments to vendors.
Observed that two individuals are involved in the processes noted above.
 - 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.
Observed that the individual responsible for processing payments is allowed access to add/modify vendor files, but another individual is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
Observed that the individual responsible for signing and mailing checks are not responsible for processing payments.
6. For each location selected under #4 above, obtain the District'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.
For each selected disbursement, observed that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5, as applicable.
For each selected disbursement, observed that the disbursement documentation included evidence of segregation of duties tested under #5, as applicable.

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

This section is not applicable.

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

This section is not applicable.

Contracts

7. 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:

Obtained a listing of contracts from management and management provided representation that the listing is complete. Only one contract was initiated or renewed during the fiscal period.

- 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.

The contract was in accordance with procurement code requiring bids every four years.

- 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).

Observed that the contract was approved by the governing body/board.

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

The contract was not amended during the fiscal year.

- 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.

Observed that invoices and related payments selected agreed to the terms and conditions of the contract.

Payroll and Personnel

This section is not applicable.

Ethics

This section is not applicable.

Debt Service

This section is not applicable.

Other

8. 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 District reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the District is domiciled.

Management has asserted that the District did not have any misappropriations of public funds or assets during the reporting period.

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

Required notices are posted on the Entity's premises and website.

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.

This 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.

Dannall, Sikes, & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana

June 24, 2019