

**LAFAYETTE PARISH
COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED
GOVERNMENT OF LAFAYETTE, LOUISIANA**

**FINANCIAL REPORT AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED OCTOBER 31, 2020

LAFAYETTE PARISH COMMUNICATION DISTRICT

CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-11
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of Net Position	14-15
Statement of Activities	16
FUND FINANCIAL STATEMENTS (FFS)	
GOVERNMENTAL FUNDS	
Balance Sheet – Governmental Funds.....	18
Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities.....	19
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	20-21
Reconciliation of the Statement of Revenues, Expenses and Changes in Fund Balance Governmental Funds to the Statement of Activities.....	22
PROPRIETARY FUND	
Statement of Net Position	23-24
Statement of Revenues, Expenses and Changes in Net Position.....	25-26
Statement of Cash Flows	27
Notes to Financial Statements.....	28-48
REQUIRED SUPPLEMENTARY INFORMATION	
Statement of Revenues, Expenses and Changes in Net Position - Budget (GAAP Basis) and Actual – Enterprise Fund	50-51
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Office of Homeland Security and Emergency Preparedness Special Revenue Fund.....	52-53
Schedule of Changes in Total OPEB Liability and Related Ratios	54
Schedule of Employer Contributions - OPEB	55
Schedule of Employer's Share of Net Pension Liability	56
Schedule of Employer Contributions - Pension	57
Notes to Required Supplementary Information	58
OTHER SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Communications System Management Special Revenue Fund.....	60
Schedule of Wireless 911 Revenues and Expenditures	61
Schedule of Compensation, Benefits and Other Payments.....	62

LAFAYETTE PARISH COMMUNICATION DISTRICT

CONTENTS

PAGE

COMPLIANCE AND INTERNAL CONTROL

**INDEPENDENT AUDITORS' 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***

64-65

Schedule of Findings and Questioned Costs.....66

Schedule of Prior Year Findings.....67

Management's Corrective Action Plan.....68

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To the Board of Commissioners
Lafayette Parish Communication District
Lafayette, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lafayette Parish Communication District, A Component Unit of the Consolidated Government of Lafayette, Louisiana as of and for the year ended October 31, 2020, 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.

Auditors' 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 auditors' 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, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of October 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and other required schedules on pages 4 through 11 and 50 through 58 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lafayette Parish Communication District's basic financial statements. The schedule of revenues, expenditures, and changes in fund balance – Budget (GAAP Basis) and Actual – Communications System Management Fund, schedule of wireless revenues and the schedule of compensation, benefits and other payments are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of revenues, expenditures, and changes in fund balance – Budget (GAAP Basis) and Actual – Communications System Management Fund, and the schedule of compensation, benefits and other payments have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The schedule of wireless revenues has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2021 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 Lafayette Parish Communication District's internal control over financial reporting and compliance.

*Wright, Moore, DeHart,
Dupuis & Hutchinson*

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, L.L.C.
Certified Public Accountants

March 29, 2021
Lafayette, Louisiana

Lafayette Parish Communication District
Lafayette, Louisiana

Management's Discussion and Analysis

Within this section of the Lafayette Parish Communication District's (the District) annual financial report, the District's management is pleased to provide this narrative discussion and analysis of the financial activities of the District for the fiscal year ended October 31, 2020. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

The District's assets and deferred outflows of resources exceed its liabilities and deferred inflows of resources by \$22,494,837 and \$1,173,362 (net position) for its business-type and governmental activities, respectively, for the fiscal year ended October 31, 2020. This is a change over fiscal year ended 2019, when the District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$20,796,389 and \$1,203,885 (net position) for its business-type and governmental activities, respectively.

Total net position is comprised of the following:

- Net invested in capital assets of \$15,981,124 includes property and equipment, net of accumulated depreciation, and construction in progress, reduced for outstanding debt related to the purchase of capital assets. The District had no outstanding debt relating to its capital assets at fiscal year-end. This is an increase of \$9,792,564 from 2019. This increase is due to the construction of the new facility.
- Unrestricted net position of \$7,687,075 represents the portion available to maintain the District's continuing obligations to citizens and creditors.

By the nature of the District's agreement with the Parish and City of Lafayette, its governmental funds report no fund balance at the end of the fiscal period. Rather, any excess funding is reimbursed to the respective governmental body and recorded as a liability in the fund financial statements. The District's proprietary fund reported total ending net position of \$22,494,837 this year. This compares to the prior year ending net position of \$20,796,389 showing an increase of \$1,698,448 during the current year.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the District's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) required supplementary information. The District also includes in this report additional information to supplement the basic financial statements. Comparative data for the prior year is also presented for comparative purposes.

Government-Wide Financial Statements

The District's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the District's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

Lafayette Parish Communication District
Lafayette, Louisiana

Management's Discussion and Analysis

Government-Wide Financial Statements - Continued

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the District's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating.

The second government-wide statement is the *Statement of Activities*, which reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the District's distinct activities or functions on specific revenues.

Both of the Government-wide Financial Statements distinguish functions of the District that are principally supported by intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through charges (business-type activities).

The governmental activities of the District include public safety operations in maintaining The Office of Homeland Security and Emergency Preparedness and the administration of the City of Lafayette's 800 Megahertz Radio System. Both of these funds are special revenue funds.

Included in the business-type activities are charges to telephone companies for the operations of the local emergency telephone response service for the Parish of Lafayette.

The government-wide financial statements are presented on pages 14 - 16 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds - Governmental funds are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Because the focus of governmental funds is narrower than that of the Government-Wide Financial Statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Government-Wide Financial Statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Lafayette Parish Communication District
Lafayette, Louisiana

Management's Discussion and Analysis

Governmental Funds – Continued - The District maintained two individual governmental funds, both are special revenue funds. Information is presented by fund in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances. The funds are the Communications System Management Fund (a non-major fund) and the Office of Homeland Security and Emergency Preparedness Fund (a major fund).

The basic governmental fund financial statements are presented on pages 18- 22 of this report.

Proprietary Fund – When the District receives 911 surcharges from the various telephone service providers for use in providing 911 emergency services, these services are generally reported in a proprietary fund. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the District's enterprise fund (the "911" Fund) is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for the proprietary fund. The "911" Fund is considered by the District to be a major fund. The Proprietary Fund financial statements are presented on pages 23 – 27 of this report.

Notes to the basic financial statements:

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 28 of this report.

Other information:

In addition to the basic financial statements and accompanying notes, this report also presents other supplementary information concerning the District's budget presentations. Budgetary comparison statements are included as "other required supplementary information" for the major funds, both the proprietary fund and the governmental funds. These statements demonstrate compliance with the District's adopted and final revised budget. This information is on pages 50-53 of this report.

Other required supplementary information included in this report are the schedules of funding progress for Other Post-Employment Benefits Plan as well as the requirement supplementary information required for pension disclosures. This information can be found on pages 54-58.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the District as a whole. The District's net position at fiscal year-end is \$23,668,199 as compared to the prior fiscal year end balance which was \$22,000,274. The majority of the net position is unrestricted which may be used to meet the District's ongoing obligation to citizens and creditors.

Lafayette Parish Communication District
Lafayette, Louisiana

Management's Discussion and Analysis

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

	Summary of Net Position					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 153,508	\$ 102,147	\$ 10,090,888	\$ 17,400,277	\$ 10,244,396	\$ 17,502,424
Capital Assets	<u>1,225,691</u>	<u>1,249,454</u>	<u>14,755,433</u>	<u>4,939,106</u>	<u>15,981,124</u>	<u>6,188,560</u>
Total assets	<u>1,379,199</u>	<u>1,351,601</u>	<u>24,846,321</u>	<u>22,339,383</u>	<u>26,225,520</u>	<u>23,690,984</u>
Deferred Outflows						
Pension/OPEB Related	<u>28,857</u>	<u>53,858</u>	<u>355,599</u>	<u>937,329</u>	<u>384,456</u>	<u>991,187</u>
Current liabilities	153,508	102,147	1,624,476	876,193	1,777,984	978,340
Non-current liabilities	<u>35,483</u>	<u>74,494</u>	<u>525,920</u>	<u>1,545,993</u>	<u>561,403</u>	<u>1,620,487</u>
Total liabilities	<u>188,991</u>	<u>176,641</u>	<u>2,150,396</u>	<u>2,422,186</u>	<u>2,339,387</u>	<u>2,598,827</u>
Deferred Inflows						
Pension/OPEB Related	<u>45,703</u>	<u>24,933</u>	<u>556,687</u>	<u>58,137</u>	<u>602,390</u>	<u>83,070</u>
Net position:						
Invested in capital assets	1,225,691	1,249,454	14,755,433	4,939,106	15,981,124	6,188,560
Unrestricted (deficit) restated	<u>(52,329)</u>	<u>(45,569)</u>	<u>7,739,404</u>	<u>15,857,283</u>	<u>7,687,075</u>	<u>15,811,714</u>
Total net position	<u>1,173,362</u>	<u>1,203,885</u>	<u>\$ 22,494,837</u>	<u>\$ 20,796,389</u>	<u>\$ 23,668,199</u>	<u>\$ 22,000,274</u>

The deficit in unrestricted governmental net position changed primarily because of the recordation of compensated absences into the statement of net position. By the nature of the governmental funds, any excess of revenues over expenditures at the fund level is reimbursed to the City/Parish Government and the funds have no fund balance, however, compensated absences do not factor into this calculation.

During 2020, current assets decreased in the business-type activities due to a decrease in cash which reflects the amounts spent on construction of the new Public Safety Building and increased in the governmental activities due to an increase in the receivables related to grant funds expended. The decrease in capital assets in the governmental activities is due to depreciation and the increase in capital assets in the business-type activities is due to purchases of assets and construction in progress, specifically the Public Safety Building.

The net position of our business-type activities increased by \$1,698,448 or 8.17% in 2020, as compared to 8.87% in 2019. The decrease in the percentage is due minor fluctuations in revenues and expenses as well as a decrease in investment earnings.

Lafayette Parish Communication District
Lafayette, Louisiana

Management's Discussion and Analysis

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

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total Government	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 4,807,011	\$ 4,769,843	\$ 4,807,011	\$ 4,769,843
Operating grants	243,398	257,882	-	-	243,398	257,882
Capital grants	111,404	95,706	-	-	111,404	95,706
General revenues:						
Investment earnings	1,713	2,469	188,565	356,095	190,278	358,564
Gain/Loss on disposal of assets	-	-	20,747	-	20,747	-
Other general revenues	12,523	-	20,425	12,580	32,948	12,580
Nonemployer Pension Contribution:	858	752	20,173	18,088	21,031	18,840
Total revenues	<u>369,896</u>	<u>356,809</u>	<u>5,056,921</u>	<u>5,156,606</u>	<u>5,426,817</u>	<u>5,513,415</u>
Program expenses:						
Public safety	400,419	411,896	3,358,473	3,461,440	3,758,892	3,873,336
Total expenses	<u>400,419</u>	<u>411,896</u>	<u>3,358,473</u>	<u>3,461,440</u>	<u>3,758,892</u>	<u>3,873,336</u>
Changes in net position	<u>\$ (30,523)</u>	<u>\$ (55,087)</u>	<u>\$ 1,698,448</u>	<u>\$ 1,695,166</u>	<u>\$ 1,667,925</u>	<u>\$ 1,640,079</u>

Governmental Activities:

The governmental funds of the District are funded in the most part by appropriations from the City and Parish of Lafayette governments. As previously discussed, any excess or deficiency of revenues over expenditures in these funds is required to be reimbursed to/recovered from the respective government in the subsequent year. The only function of the District is public safety activities. Capital grants increased slightly this year due to grants for equipment purchases in the current year. Operating grants decreased from 2019 due to a decrease in funds allocated by the City/Parish during the year as compared to prior year to fund the deficit in the governmental funds.

Total expenses of the governmental activities decreased as compared to 2019 due to an overall reduction in expenses.

Business-type Activities:

The majority of revenues in the District's business-type activities come from telephone taxes collected by and received from the different telephone service providers that operate in the parish. In addition, the District also earns interest on its investments. Charges for services had an increase of .78% over 2019 with expenses decreasing by 2.97%. The largest expenses of the business-type activity are salaries and benefits, which represent 49.4% of total expenses for 2020 and insurance which represents 9.88% of total expenses for 2020.

Lafayette Parish Communication District
Lafayette, Louisiana

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds:

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Due to the nature of the District's governmental funds, they do not carry over a fund balance; rather the amounts are reported as a liability to the appropriate funding authority.

Proprietary Fund:

The major fund of the District is its Proprietary Fund (the "911" fund). This fund operates as the general fund of the District. The major revenue source of this fund is telephone taxes collected by and received from the different telephone service providers in the area. It is the largest source of day-to-day service delivery. The "911" Fund's net position increased \$1,698,448 which is an increase from 2019 when net position increased \$1,695,166. This is attributed to slight increase in telephone taxes collected.

BUDGETARY HIGHLIGHTS

Proprietary Fund

The Proprietary Fund's original budget was based on the actual amounts reported in fiscal year 2019. However, the final budget changed with an increase in expenditures due to expected repairs and maintenance and well as expected increases in insurance. The budgeted revenues did not change. Overall budgeted expenditures increased \$606,098.

Major Governmental Funds

The Office of Homeland Security and Emergency Preparedness special revenue fund's final budget showed an increase in both the revenues and expenses from the original budget partly due to federal awards received during the year to fund capital type expenditures. Capital outlay expense increased since the original budget only included expected routine equipment purchases, not the federal projects that were awarded during the year.

The Communication System Management special revenue fund's final budget remained virtually unchanged with the only changes being changes in the individual line items for expenditures but overall expenditures remained the same. For 2020, this fund was not considered a major fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's net investment in capital assets as of October 31, 2020 was \$15,981,124 as compared to \$6,188,560 at the end of 2019. The increase is attributed to the construction of the new facility. This investment in capital assets includes buildings and improvements, equipment, furniture and construction in progress (if applicable).

Lafayette Parish Communication District
Lafayette, Louisiana

Management's Discussion and Analysis

See Note G for additional information about changes in capital assets during the fiscal year.

**Capital Assets at Year-End
Net of Depreciation**

	Governmental Activities		Business-type Activities		Total government	
	2020	2019	2020	2019	2020	2019
Buildings and Improvements	\$ 438,548	\$ 483,053	\$ 789,141	\$ 853,277	\$ 1,227,689	\$ 1,336,330
Furniture and Equipment	787,143	766,401	2,080,576	1,979,183	2,867,719	2,745,584
Construction in Progress	-	-	11,885,716	2,106,646	11,885,716	2,106,646
Totals	<u>\$ 1,225,691</u>	<u>\$ 1,249,454</u>	<u>\$ 14,755,433</u>	<u>\$ 4,939,106</u>	<u>\$ 15,981,124</u>	<u>\$ 6,188,560</u>

The increase in the District's investment in capital assets for the current fiscal year was 158.24%. The increase is due to the construction in progress for the new facility which was nearing completion at year end.

The District had several projects in construction in progress, a Mobile Operations Center, and the New Public Safety Communications Center Building, as of the end of the fiscal year.

In the governmental fund type, the decrease is attributed to depreciation expense for the current year.

Long-Term Liabilities

At the end of the fiscal year, the District had long-term liabilities in the form of liabilities for Pension, Other Post-Employment Benefits and Compensated Absences. The total amount of these liabilities at October 31, 2020 was \$561,403 as compared to October 31, 2019 which was \$1,620,487, a decrease of 65.36%. The change in the amounts can be explained as follows:

For the year ended October 31, 2020, the Net Pension Liability decreased by \$1,082,028 based on the actuarial calculations performed.

There was a slight increase of \$10,754 in Other Post-Employment Benefits at year-end.

There was also an increase in the compensated absences balance at year-end of \$33,698.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The fiscal year end 2020-2021 budgets for the proprietary and governmental fund types are based on actual 2019-2020 results. The District plans to continue purchasing equipment utilizing the federal grant funds that are being received as part of the Office of Homeland Security grant program. The District will complete construction of the new facility in early 2021 and expenses related to operations of the new facility are also included in the 2020-2021 budget.

Lafayette Parish Communication District
Lafayette, Louisiana

Management's Discussion and Analysis

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations, and demonstrate the District's commitment to public accountability. If you have questions about this report or would like to request additional information, contact Craig Stansbury, Director, Lafayette Parish Communication District, Post Office Box 82236, Lafayette, Louisiana 70598.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF NET POSITION
OCTOBER 31, 2020**

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS- TYPE ACTIVITIES</u>	<u>TOTAL</u>
ASSETS			
Current Assets			
Cash	\$ 39,649	\$ 9,746,337	\$ 9,785,986
Telephone Tax Receivable	-	310,061	310,061
Due from City Parish	6,722	-	6,722
Other Receivable	107,137	-	107,137
Prepaid Insurance	-	18,623	18,623
Prepaid Lease	-	15,867	15,867
	<u>153,508</u>	<u>10,090,888</u>	<u>10,244,396</u>
Total Current Assets			
Noncurrent Assets:			
Property and Equipment (Net)	1,225,691	2,869,717	4,095,408
Construction in Progress	-	11,885,716	11,885,716
	<u>1,225,691</u>	<u>14,755,433</u>	<u>15,981,124</u>
Total Noncurrent Assets			
TOTAL ASSETS	<u>\$ 1,379,199</u>	<u>\$ 24,846,321</u>	<u>\$26,225,520</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources - Pension	\$ 28,857	\$ 320,038	\$ 348,895
Deferred Outflows of Resources - OPEB	-	35,561	35,561
	<u>-</u>	<u>35,561</u>	<u>35,561</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 28,857</u>	<u>\$ 355,599</u>	<u>\$ 384,456</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF NET POSITION
OCTOBER 31, 2020**

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS- TYPE ACTIVITIES</u>	<u>TOTAL</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 87,348	\$ 1,067,386	\$ 1,154,734
Salaries Payable	2,403	63,129	65,532
Due to City/Parish of Lafayette	38,960	-	38,960
Retainage Payable	-	493,961	493,961
Unearned Revenue	<u>24,797</u>	<u>-</u>	<u>24,797</u>
Total Current Liabilities	<u>153,508</u>	<u>1,624,476</u>	<u>1,777,984</u>
Noncurrent Liabilities			
Accrued Compensated Absences	43,988	376,964	420,952
Net Pension Liability (Asset)	(8,505)	20,739	12,234
Other Post Employment Benefits	<u>-</u>	<u>128,217</u>	<u>128,217</u>
Total Noncurrent Liabilities	<u>35,483</u>	<u>525,920</u>	<u>561,403</u>
TOTAL LIABILITIES	<u>\$ 188,991</u>	<u>\$ 2,150,396</u>	<u>\$ 2,339,387</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources - Pension	\$ 45,703	\$ 537,389	\$ 583,092
Deferred Inflows of Resources -OPEB	<u>-</u>	<u>19,298</u>	<u>19,298</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 45,703</u>	<u>\$ 556,687</u>	<u>\$ 602,390</u>
NET POSITION			
Net Investment in Capital Assets	\$ 1,225,691	\$ 14,755,433	\$ 15,981,124
Unrestricted (Deficit)	<u>(52,329)</u>	<u>7,739,404</u>	<u>7,687,075</u>
TOTAL NET POSITION	<u>\$ 1,173,362</u>	<u>\$ 22,494,837</u>	<u>\$ 23,668,199</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED OCTOBER 31, 2020**

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
Public Safety	\$ 400,419	\$ -	\$ 243,398	\$ 111,404	\$ (45,617)	\$ -	\$ (45,617)
Total Governmental Activities	400,419	-	243,398	111,404	(45,617)	-	(45,617)
Business-type Activities							
Public Safety	3,358,473	4,807,011	-	-	-	1,448,538	1,448,538
Total Business-Type Activities	3,358,473	4,807,011	-	-	-	1,448,538	1,448,538
Total Primary Government	<u>\$ 3,758,892</u>	<u>\$ 4,807,011</u>	<u>\$ 243,398</u>	<u>\$ 111,404</u>	<u>(45,617)</u>	<u>1,448,538</u>	<u>1,402,921</u>
General Revenues:							
Investment Earnings					1,713	188,565	190,278
Gain (Loss) on Disposal of Assets					-	20,747	20,747
Other General Revenues					12,523	20,425	32,948
Nonemployer Pension Contributions					858	20,173	21,031
Total General Revenues					<u>15,094</u>	<u>249,910</u>	<u>265,004</u>
Change in Net Position					(30,523)	1,698,448	1,667,925
Net Position-Beginning					<u>1,203,885</u>	<u>20,796,389</u>	<u>22,000,274</u>
Net Position-Ending					<u>\$ 1,173,362</u>	<u>\$ 22,494,837</u>	<u>\$ 23,668,199</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

FUND FINANCIAL STATEMENTS (FFS)

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**BALANCE SHEET - GOVERNMENTAL FUNDS
OCTOBER 31, 2020**

	<u>Office of Homeland Security and Emergency Preparedness</u>	<u>Communication System Management</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash	\$ 29,473	\$ 10,176	\$ 39,649
Due from City/Parish of Lafayette	-	6,722	6,722
Other Receivables	<u>107,137</u>	<u>-</u>	<u>107,137</u>
 TOTAL ASSETS	 <u>\$ 136,610</u>	 <u>\$ 16,898</u>	 <u>\$ 153,508</u>
 LIABILITIES			
Accounts Payable	\$ 83,963	\$ 3,385	\$ 87,348
Salaries Payable	2,403	-	2,403
Due to City/Parish of Lafayette	38,960	-	38,960
Unearned Revenue	<u>11,284</u>	<u>13,513</u>	<u>24,797</u>
 TOTAL LIABILITIES	 136,610	 16,898	 153,508
 FUND BALANCE	 <u>-</u>	 <u>-</u>	 <u>-</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 136,610</u>	 <u>\$ 16,898</u>	 <u>\$ 153,508</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
OCTOBER 31, 2020**

Total Governmental Fund Balances	\$	-
 <i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		1,225,691
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Net Pension Liability (Asset)	\$ (8,505)	
Compensated Absences	<u>43,988</u>	35,483
Deferred Outflows of Resources Related to Net Pension Liability		28,857
Deferred Inflows of Resources Related to Net Pension Liability		<u>(45,703)</u>
 <i>Net Position of Governmental Activities</i>	 \$	 <u>1,244,328</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED OCTOBER 31, 2020**

	Office of Homeland Security and Emergency Preparedness	Communication System Management	Total Governmental Funds
REVENUE			
Governmental Appropriations	\$ 176,884	\$ 98,752	\$ 275,636
Grant Revenue	111,404	-	111,404
Interest Earnings	1,359	354	1,713
Miscellaneous Revenue	12,523	-	12,523
Total Revenue	302,170	99,106	401,276
EXPENDITURES			
Current:			
Dues and Licenses	180	85	265
Duplicating Expense	122	-	122
Insurance	21,310	-	21,310
Miscellaneous	264	-	264
Non-Capital Expenses	5,463	-	5,463
Postage	55	3	58
Professional Fees	1,000	1,000	2,000
Publication and Recordings	-	450	450
Repairs and Maintenance	7,780	42,012	49,792
Retirement and Medicare	9,415	-	9,415
Salaries	69,313	-	69,313
Supplies and Materials	3,529	748	4,277
Telecommunications	9,023	37,143	46,166
Tower Rentals	-	17,376	17,376
Transportation	5,525	-	5,525
Travel and Meetings	126	-	126
Uniforms	1,313	-	1,313
Utilities	2,426	7,011	9,437
Capital Outlay:			
Equipment	126,366	-	126,366
Total Expenditures	263,210	105,828	369,038

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED OCTOBER 31, 2020**

	<u>Office of Homeland Security and Emergency Preparedness</u>	<u>Communication System Management</u>	<u>Total Governmental Funds</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 38,960	\$ (6,722)	\$ 32,238
OTHER FINANCING SOURCES (USES):			
Reimbursement of Excess Funds:			
City/Parish of Lafayette	<u>(38,960)</u>	<u>6,722</u>	<u>(32,238)</u>
Transfer In	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED OCTOBER 31, 2020**

Net Change in Fund Balance - Total Governmental Funds	\$	-
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Amounts reported for governmental activities in the Statement of Activities are 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 as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital Outlay	\$ 126,366	
Depreciation	<u>(150,129)</u>	(23,763)

The effect of recording net pension liability, deferred outflows of resources and deferred inflows of resources as it relates to the net pension liability:

Change in Pension Expense	(2,483)	
Nonemployer Pension Contribution Revenue Recognized	<u>858</u>	(1,625)

Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

(5,135)

<i>Change in Net Position of Governmental Activities</i>	\$	<u>(30,523)</u>
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The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF NET POSITION
PROPRIETARY FUND - "911" FUND
OCTOBER 31, 2020**

ASSETS

CURRENT ASSETS

Cash	\$ 9,746,337
Telephone Tax Receivable	310,061
Prepaid Insurance	18,623
Prepaid Lease	<u>15,867</u>
Total Current Assets	<u>10,090,888</u>

PROPERTY AND EQUIPMENT

Building and Improvements	1,919,397
Furniture and Equipment	9,201,092
Construction in Progress	<u>11,885,716</u>
Total	23,006,205
Less: Accumulated Depreciation	<u>(8,250,772)</u>
Net Property and Equipment	<u>14,755,433</u>

TOTAL ASSETS

\$ 24,846,321

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows of Resources - Pension	\$ 320,038
Deferred Outflows of Resources - OPEB	<u>35,561</u>

Total Deferred Outflows of Resources

\$ 355,599

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF NET POSITION
PROPRIETARY FUND - "911" FUND
OCTOBER 31, 2020**

LIABILITIES

CURRENT LIABILITIES

Accounts Payable	\$ 1,067,386
Salaries Payable	63,129
Retainage Payable	<u>493,961</u>
 Total Current Liabilities	 1,624,476

NON-CURRENT LIABILITIES

Accrued Compensated Absences	376,964
Net Pension Liability	20,739
Postemployment Benefit Obligation Payable	<u>128,217</u>

TOTAL LIABILITIES	<u>\$ 2,150,396</u>
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DEFERRED INFLOWS OF RESOURCES

Deferred Inflows of Resources - Pension	\$ 537,389
Deferred Inflows of Resources - OPEB	<u>19,298</u>

Total Deferred Inflows of Resources	<u>\$ 556,687</u>
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NET POSITION

Net Investment in Capital Assets	\$ 14,755,433
Unrestricted	<u>7,739,404</u>
 TOTAL NET POSITION	 <u>\$ 22,494,837</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND - "911" FUND
FOR THE YEAR ENDED OCTOBER 31, 2020**

OPERATING REVENUE	
Telephone Tax	<u>\$ 4,807,011</u>
OPERATING EXPENSES	
Contractual Services	56,020
Depreciation	185,210
Dues and Subscriptions	1,296
Duplicating Expense	1,690
Insurance	331,916
Miscellaneous	13,223
Office and Postage	2,393
Other Post Employment Benefits	(6,572)
Printing	359
Professional Fees	27,750
Publication and Recordings	759
Repairs and Maintenance	306,224
Retirement and Medicare	280,244
Salaries	1,660,363
Supplies and Materials	195,459
Telecommunications	270,478
Training	7,178
Transportation	17,308
Travel and Meetings	699
Uniforms	1,609
Utilities	<u>4,867</u>
Total Operating Expenses	<u>3,358,473</u>
OPERATING INCOME	<u>1,448,538</u>
NON-OPERATING REVENUES (EXPENSES)	
Miscellaneous Revenue	20,425
Interest Earnings	188,565
Gain (Loss) on Disposal of Assets	20,747
Nonemployer Pension Contribution	<u>20,173</u>
Total Non-Operating Revenues (Expenses)	<u>249,910</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND - "911" FUND
FOR THE YEAR ENDED OCTOBER 31, 2020**

INCREASE IN NET POSITION	\$ 1,698,448
NET POSITION, BEGINNING	<u>20,796,389</u>
NET POSITION, ENDING	<u>\$ 22,494,837</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND - "911" FUND
FOR THE YEAR ENDED OCTOBER 31, 2020**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received From Providing Services	\$ 4,782,149
Cash Paid to Suppliers	(517,272)
Cash Paid to Employees	<u>(1,844,474)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>2,420,403</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases and Construction of Property and Equipment	(10,126,370)
Proceeds from Sale of Property and Equipment	<u>145,580</u>
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(9,980,790)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Investments	<u>188,565</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>188,565</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,371,822)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>17,118,159</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 9,746,337</u>
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Income	\$ 1,448,538
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	185,210
Miscellaneous Revenue	20,425
Provision for Net Pension Liability, Net	58,389
Changes in Assets and Liabilities:	
Telephone Tax Receivable	(45,287)
Prepaid Expenses	(17,146)
Accounts Payable	304,519
Salaries Payable	9,287
Due to Others	(106)
Retainage Payable	434,583
Accrued Compensated Absences	28,563
Other Post Employment Benefits	<u>(6,572)</u>
Net Cash Provided by Operating Activities	<u>\$ 2,420,403</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2020**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the District conform to accounting principles generally accepted in the United States as applicable to governments. The following is a summary of the significant policies.

Basis of Presentation – The Lafayette Parish Communication District’s financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Financial Reporting Entity –The Lafayette Parish Communication District is governed by an appointed board of commissioners and consists of the “911” Fund, the Office of Homeland Security and Emergency Preparedness Fund and The Communication System Management Fund.

The “911” Fund was created by House Bill No. 480, Act No. 788 and signed into law July 18, 1979 for the purpose of establishing a local emergency telephone response service for Lafayette Parish.

The Office of Homeland Security and Emergency Preparedness Fund (OHSEP) was consolidated with the Lafayette Parish Communication District on November 1, 1984. Funding for OHSEP is provided by the State of Louisiana Office of Homeland Security and Emergency Preparedness, the City of Lafayette and the Parish of Lafayette. Any revenues in excess of expenditures are refunded proportionately to the City and Parish of Lafayette at the end of each fiscal year.

The Communication System Management Fund (CSMF) was established on November 1, 1986 to administer the City of Lafayette’s 800 Megahertz Radio System. CSMF charges other agencies and surrounding communities a rental fee for radio tower usage. The City of Lafayette reimburses CSMF for excess expenditures over revenues received from tower rentals.

The accompanying financial statements present the District’s funds and activities. As required by GAAP, these financial statements present the District as a component unit of the Consolidated Government of Lafayette, Louisiana.

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 non-exchange transactions are recognized in accordance with the requirements of GASB’s *Codification*, Section N50. The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of 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.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2020**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Government-Wide Financial Statements (GWFS) – continued - Program revenues include (a) fees and charges paid by the recipients of services offered by the District, 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.

Fund Financial Statements (FFS) – The financial transactions of the Lafayette Parish Communication District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenses or expenditures. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Lafayette Parish Communication District:

Governmental Funds –

Special Revenue Funds – These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Proprietary Fund –

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary fund of the District:

Enterprise Fund – This type of fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing emergency telephone response services to the general public on a continuing basis is financed through user charges.

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 District or its total assets, liabilities, revenues, or expenditures of the individual fund type is at least ten percent of the corresponding total for all of that fund type. Non-major funds by category are summarized into a single column. The non-major funds are combined in a column in the fund financial statements. The Proprietary Fund – “911” Fund is the operating fund of the District and is considered a major fund. In addition, the Office of Homeland Security and Emergency Preparedness Fund meets the criteria of a major fund and is reported as such. The Communication System Management Fund does not meet the criteria of a major fund and is therefore reported as a non-major fund for the year ended October 31, 2020.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2020**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Measurement Focus/Basis of Accounting – Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Accrual

Governmental activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The proprietary fund type is accounted for on a cost of service measurement focus using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the related liabilities are incurred.

Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or within 60 days after year-end. Intergovernmental revenues and fees, charges and commissions for services are recorded when the District is entitled to the funds. Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred, if measurable.

Budgets and Budgetary Accounting – The Lafayette Parish Communication District is required to adopt annual budgets for each fund. Each budget is presented on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles (“GAAP”).

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- a. Each year, prior to November 1, the District prepares a budget for the next succeeding fiscal year and submits it to the Board of Commissioners. The operating budget includes proposed expenditures and the means of financing them.
- b. The Lafayette Parish Communication District adopts the budget by a resolution of the Board of Commissioners.
- c. The budget must be revised and approved by the Commissioners for any increase in budgetary expenditures.
- d. All budgetary appropriations lapse at the end of each fiscal year.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2020**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Cash and Interest-Bearing Deposits – Cash and interest-bearing deposits are stated at cost, which approximates market.

Unearned Revenue – Unearned revenue in the Communication System Management Fund represents rental fees for future radio tower usage. Rental revenue is recognized on a pro-rata basis as radio tower service is provided.

Capital Assets – Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated cost if historical cost is not available. The District’s capitalization policy matches that of the City/Parish of Lafayette, its fiscal agent. Contributed assets are recorded as capital assets at their estimated fair market value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Building improvements	20 years
Vehicles	5 years
Equipment and Furniture	5 -10 years

Compensated Absences – Annual leave is a paid leave of absence from regularly scheduled work hours granted to regular employees for the purpose of rest and recreation or to attend to personal affairs. Annual leave is earned by all regular full and part-time employees based on their years of service ranging from eight to sixteen hours per month beginning after six months of service. Excess leave shall be added to the employee’s sick leave balance. Sick leave is earned by all full-time employees at the rate of eight hours per month and part-time employees at a pro-rata amount based on their usual work schedule for each completed month of employment.

Sick leave is carried forward from year to year. An employee shall be paid for all accumulated hours of sick leave at their regular rate of pay upon regular or disability retirement, death, or upon permanent layoff of an employee with 15 years or more of employment provided an offer of employment in a position of equal or greater pay was not refused and will not be paid upon any other type of separation from service. In accordance with GASB’s *Codification*, Section C60, an accrual is made for accrued sick leave that is determined to be payable at separation based on the above criteria.

On October 31, 2020, accrued compensated absences in the “911” Fund amounted to \$376,964. The portion of accrued compensated absences attributed to the Office of Homeland Security and Emergency Preparedness Fund amounted to \$43,988 on October 31, 2020.

Prepaid Items – Payments made to vendors for services that will benefit periods beyond year-end are recorded as prepaid items.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2020**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Cash and Cash Equivalents – For purposes of the Statement of Cash Flows, the District considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Interfund Transactions – Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental and proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Equity Classifications – In the government-wide statement of net position, equity is classified as net position and displayed in three components:

- a. Net investments in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those net assets.
- b. 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. The District has no restricted net assets at October 31, 2020.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

In the fund financial statements, governmental equity is classified as fund balance. However, due to the nature of the governmental funds, there is no fund balance reported in these funds at the end of the fiscal year.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles of the United States of America requires 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 amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2020**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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 in 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.

(B) CASH AND INVESTMENTS

The District's cash and investments are included in the Consolidated Government of Lafayette Parish's (LCG) Cash Management Fund, which is pooled with LCG's other investments. Interest earned from the pooled cash management fund is apportioned to each fund based on its average daily cash balance. LCG's investments are categorized to give an indication of the level of risk assumed by LCG at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by LCG or its agent in LCG's name. All funds are considered Category 1 at October 31, 2020.

Cash and investments include bank balances and investments that at the balance sheet date Cash balances 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. The District has no custodial credit risk associated with these deposits.

As a component unit of the Consolidated Government of Lafayette, Louisiana, the District follows the Cash Management Rules and Guidelines of the Lafayette City-Parish Consolidated Government. Following are the risks associated with these rules and guidelines.

Interest Rate Risk: As a means of limiting its exposure to fair-value losses arising from rising interest rates, the District's investment policy limits the investment portfolio to "money market instruments", which are defined as very creditworthy, highly liquid investments with maturities of one year or less. Although there may be certain circumstances in which longer-term securities are utilized, the general use of long-term securities shall be avoided.

Credit Risk: The District's Investment Policy limits investments to fully insured and/or fully-collateralized certificates of deposits and direct and indirect obligations of U.S. government agencies.

Concentration of Credit Risk: The District's investment policy limits the District's investment instruments to: 1) Certificates of Deposit; 2) Certain direct obligations of the US Government; 3) Other "direct obligations" of the U.S. Government; and, 4) Obligations of certain US Government Agencies.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2020**

(C) TELEPHONE TAX RECEIVABLE

The telephone tax is received by the “911” Fund from AT&T Mobility, Inc., Cox Louisiana Telecom, LLC, Bellsouth Telecommunications, Inc., the Louisiana Department of Revenue and various other vendors from amounts billed to their customers. At October 31, 2020, the telephone tax receivable was \$310,261. The responsibility of collecting the tax rests with the telephone companies and the receivable is reported net of any uncollected amounts, therefore, no allowance for uncollectible taxes is deemed necessary.

(D) PENSION PLAN

During the year ended October 31, 2015, the District adopted the provisions of Governmental Accounting Statement No. 68 – *Accounting and Financial Reporting for Pensions*. The Parochial Employees’ Retirement System of Louisiana prepare their employer schedules in accordance with Governmental Accounting Statement No. 68 - *Accounting and Financial Reporting for Pensions* – an amendment of GASB Statement No. 27. GASB Statement No. 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. It also provides methods to calculate participating employer’s proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense and amortization periods for deferred inflows and deferred outflows.

The employer pension schedules for the Parochial Employees’ Retirement System of Louisiana are prepared using the accrual basis of accounting. Members’ earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. The member’s earnable compensation is attributed to the employer for which the member is employed as of October 31, 2020.

Substantially all of the District’s employees are covered under the Parochial Employees’ Retirement System of Louisiana. Details concerning the plan are:

Plan Description: The Parochial Employees’ Retirement System of Louisiana (the System) is a cost-sharing multiple-employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the state of Louisiana or any governing body or a parish which employs and pays persons serving the parish.

Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the “regular plan” and the “supplemental plan”. Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. Employees of the District are members of Plan A.

The Parochial Employees’ Retirement System of Louisiana issues a stand-alone report on their financial statements. Access to the report can be found on the Louisiana Legislative Auditor’s website, www.la.la.gov.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2020**

(D) PENSION PLAN - Continued

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 permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) 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.

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. Any age with thirty (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. 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.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2020**

(D) PENSION PLAN - Continued

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.

A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

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 or B 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 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 on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan 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 this Plan 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 the Plan 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.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2020**

(D) PENSION PLAN - Continued

Disability Benefits- continued:

Upon retirement caused by disability, if not eligible for normal retirement, 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 60 for those members who are enrolled prior to January 1, 2007 and to age 62 for those members who are enrolled January 1, 2007 and later.

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. 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. For the year ended December 31, 2019 and 2018, the actuarially determined contribution rate was 12.18% and 9.99%, respectively, of member's compensation for Plan A. The actual contribution rate for each of the fiscal years ending December 31, 2019 and 2018 was 11.50% for Plan A.

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.

Employer Allocations:

The schedule of employer allocations reports the historical employer contributions, in addition to the employer allocation percentage for each participating employer. The historical employer contributions are used to determine the proportionate relationship of each employer to all employers of Parochial Employees' Retirement System of Louisiana. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The resulting allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2020**

(D) PENSION PLAN - Continued

The allocation method used in determining each employer's proportion was based on each employer's contributions to the plan during the fiscal year ended December 31, 2019 as compared to the total of all employers' contributions received by the plan during the fiscal year ended December 31, 2019.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At October 31, 2020, the District reported a liability of \$12,234 for its proportionate share of the net pension liability, of which \$(8,505) and \$20,739 was reported in the governmental activities and business-type activities, respectively. The net pension liability was measured as of December 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2019, the District's proportion was .26%, which was an increase of .01% from its proportion measured as of December 31, 2018.

For the year ended October 31, 2020, the District recognized pension expense of \$262,384 adjusted for the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$(1,825).

At October 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference Between Expected and Actual Experience	\$ -	\$ 4,469	\$ -	\$ 105,054
Change in Assumptions	6,971	-	163,895	-
Change in Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	-	611	-	14,356
Net Differences Between Projected and Actual Earnings on Plan Investments	-	18,711	-	439,892
Contributions Subsequent to the Measurement Date	7,115	-	167,263	-
Other Changes - Offset Interest Earnings	149	-	3,502	-
Reallocation between funds	14,622	21,913	(14,622)	(21,913)
Total	<u>\$ 28,857</u>	<u>\$ 45,704</u>	<u>\$ 320,038</u>	<u>\$ 537,389</u>

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2020**

(D) PENSION PLAN - Continued

Deferred outflows of resources of \$174,378 related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended October 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u> <u>December 31,</u>	
2020	\$ (92,995)
2021	(117,403)
2021	8,294
2023	<u>(206,472)</u>
Total	<u>\$ (408,576)</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/asset of the System's employers as of December 31, 2019, are as follows:

	<u>PLAN A</u>
Total Pension Liability	\$4,096,496,036
Plan Fiduciary Net Position	<u>4,091,788,575</u>
Total Net Pension Liability (Asset)	<u>\$ 4,707,461</u>

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2019, are as follows:

Valuation Date	December 31, 2019
Actuarial Cost Method	Plan A – Entry Age Normal
Investment Rate of Return	6.50% net of investment expense, including inflation
Expected Remaining Service lives	4 years
Projected Salary Increases	Plan A – 4.75%

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2020**

(D) PENSION PLAN – Continued

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	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.
Inflation Rate	2.40%

The discount rate used to measure the total pension liability was 6.50% 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 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.

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. For disabled annuitants, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disables Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2020**

(D) PENSION PLAN - Continued

Sensitivity to Changes in Discount Rate:

The following presents the net pension liability/asset of the participating employers as of December 31, 2019 calculated using the discount rate of 6.50%, 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 5.50% or one percentage point higher 7.50% than the current rate.

	PLAN A		
	Changes in Discount Rate 2019		
	1%	Current	1%
	Decrease	Discount	Increase
	5.50%	6.50%	7.50%
Net Pension Liability (Asset)	\$1,322,295	\$ 12,234	\$(1,085,571)

Change in Net Pension Liability:

The changes in the net pension liability for the year ended October 31, 2020 were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience:

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability 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 plan. The difference between expected and actual experience resulted in a deferred inflow of resources for Plan A in the amount of \$109,523 for the year ended October 31, 2020.

Differences between Projected and Actual Investment Earnings:

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a deferred inflow of resources in the amounts of \$458,603 for Plan A for the year ended October 31, 2020.

Change in Assumptions:

The changes in assumptions about future economic or demographic factors 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 plan. The change in assumptions or other inputs resulted in deferred outflows of resources in the amount of \$170,866 for Plan A, for the year ended October 31, 2020.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2020**

(D) PENSION PLAN - Continued

Change in Proportion:

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense/(benefit) using a 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 pensions through the pension plan. The change in proportion resulted in a deferred inflow of resources in the amount of \$14,967 for Plan A, for the year ended October 31, 2020.

Contributions – Proportionate Share:

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense/(benefit) 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 a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

(E) POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

General Information about the OPEB Plan

Plan Description – The LPCD provides certain continuing health care and life insurance benefits for its retired employees. The LPCD's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the LPCD. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the LPCD. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions – Reporting for Benefits Not Provided Through Trusts That Meet Specific Criteria – Defined Benefit*.

Benefits Provided – Medical benefits are provided through insured programs. The plan provisions are contained in the official plan documents. Employees are covered by Plan A of Parochial Employees Retirement System (PERS), whose retirement eligibility (D.R.O.P. entry) provisions are as follows: for active members hired before January 1, 2007: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service; for active members hired on and after January 1, 2007: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2020**

(E) POSTEMPLOYMENT BENEFITS - Continued

Employees Covered by Benefit Terms – At October 31, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>30</u>
Total	<u>32</u>

Total OPEB Liability

The LPCD’s total OPEB liability of \$128,217 was measured as of October 31, 2020 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the October 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	4.0%, including inflation
Discount rate	2.79% annually (Beginning of Year to Determine ADC) 2.37%, annually (As of End of Year Measurement Date)
Healthcare cost trend rates	5.5% annually for 10 years, 4.5% thereafter
Mortality	SOA RP-2000 Table

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of October 31, 2020, the end of the applicable measurement period.

The actuarial assumptions used in the October 31, 2020 valuation were based on the results of ongoing evaluations of the assumptions from November 1, 2009 to October 31, 2020.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2020**

(E) POSTEMPLOYMENT BENEFITS - Continued

Changes in the Total OPEB Liability

Balance at October 31, 2019		\$138,971
Changes for the Year:		
Service Cost	\$ 3,631	
Interest	3,673	
Difference Between Expected and Actual Experience	(12,298)	
Changes in Assumptions	8,894	
Benefit Payments and Net Transfers	<u>(14,654)</u>	
		<u>(10,754)</u>
Balance at October 31, 2020		<u>\$128,217</u>

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the LPCD, as well as what the LPCD’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.37%) or 1-percentage-point higher (3.37%) than the current discount rate:

	1.0% Decrease (1.37%)	Current Discount Rate (2.37%)	1.0% Increase (3.37%)
Total OPEB liability	<u>\$ 150,863</u>	<u>\$ 128,217</u>	<u>\$ 109,316</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the LPCD, as well as what the LPCD’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	<u>\$ 108,872</u>	<u>\$ 128,217</u>	<u>\$ 151,279</u>

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2020**

(E) POSTEMPLOYMENT BENEFITS - Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended October 31, 2020, the LPCD recognized OPEB expense of \$8,082. At October 31, 2020 the LPCD reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 9,637	\$ (10,761)
Changes in assumptions	<u>25,924</u>	<u>(8,537)</u>
Total	<u>\$ 35,561</u>	<u>\$ (19,298)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending October 31:	
2021	\$ 778
2022	778
2023	778
2024	778
2025	777
Thereafter	12,383

(F) LEASES

On September 1, 1983, the District entered into and prepaid a ninety-nine year lease with the City of Lafayette for land for future construction of a permanent facility. The prepaid amount has been amortized over the term of the lease in the amount of \$253 per year through October 31, 2019. This lease was terminated in January 2020 with a prepaid amount of \$15,867. The District is currently in discussions with the Lafayette Consolidated Government to enter into an Intergovernmental Agreement with the Parish of Lafayette, whereby the District would have use of a portion of the courthouse for a period of 10 years at a cost of \$1,587 per year. The remaining amount reflected as prepaid, will be amortized over the term of the new agreement.

The District has entered into a lease with AT&T. for an Automatic Location Identification (ALI) system. The ALI system is used within the "911" Fund. The lease term is for one year and renews annually unless either party gives a one hundred eighty (180) day written notice. The current lease term runs from June 1, 2020 through May 31, 2021. Monthly lease payments were \$14,700 through May 31, 2020 then \$12,855 for the new lease term. Future minimum lease payments at October 31, 2020, were \$89,985.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2020**

(F) LEASES - continued

The District also has a lease for tower space from American Tower Corporation. The leased tower space is used within the CSM Fund. The lease automatically renews annually unless either party gives a ninety (90) day written notice. The lease term runs from November 1 through October 31 with monthly lease payments of \$1,448 for the year ended October 31, 2020. Total lease expense for the year ended October 31, 2020 was \$17,376. Future minimum lease payments at October 31, 2020, were \$17,376.

In June 2004, the District entered into an Intergovernmental Agreement with the City of Carencro to lease a parcel of land for construction of the Mobile Operations Center Garage. The initial term of the lease is fifty years. After the initial term, the City has the option to continue the lease on a month-to-month basis. There is no cost to the District for this lease.

(G) CAPITAL ASSETS

Capital asset activity for the year ended October 31, 2020 was as follows:

	<u>Balance</u> <u>10/31/2019</u>	<u>Additions/</u> <u>Completions</u>	<u>Retirements/</u> <u>Adjustments</u>	<u>Balance</u> <u>10/31/2020</u>
Governmental Activities:				
Capital assets, being depreciated				
Buildings	\$ 892,231	\$ -	\$ -	\$ 892,231
Furniture and Equipment	<u>5,029,072</u>	<u>126,366</u>	<u>114,125</u>	<u>5,041,313</u>
Total capital assets being depreciated	<u>5,921,303</u>	<u>126,366</u>	<u>114,125</u>	<u>5,933,544</u>
Less: Accumulated depreciation for:				
Buildings	409,178	44,505	-	453,683
Furniture and Equipment	<u>4,262,671</u>	<u>105,624</u>	<u>114,125</u>	<u>4,254,170</u>
Total accumulated depreciation	<u>4,671,849</u>	<u>150,129</u>	<u>114,125</u>	<u>4,707,853</u>
Total capital assets being depreciated, net	<u>1,249,454</u>	<u>(23,763)</u>	<u>-</u>	<u>1,225,691</u>
Governmental activities capital assets, net	<u>\$ 1,249,454</u>	<u>\$ (23,763)</u>	<u>\$ -</u>	<u>\$ 1,225,691</u>
Business-type Activities:				
Capital assets, being depreciated				
Buildings	\$ 1,919,397	\$ -	\$ -	\$ 1,919,397
Furniture and Equipment	<u>9,037,987</u>	<u>347,300</u>	<u>184,195</u>	<u>9,201,092</u>
Total capital assets being depreciated	<u>10,957,384</u>	<u>347,300</u>	<u>184,195</u>	<u>11,120,489</u>
Less: Accumulated Depreciation for:				
Buildings	1,066,120	64,136	-	1,130,256
Furniture and Equipment	<u>7,058,804</u>	<u>121,074</u>	<u>59,362</u>	<u>7,120,516</u>
Total accumulated depreciation	<u>8,124,924</u>	<u>185,210</u>	<u>59,362</u>	<u>8,250,772</u>
Total capital assets being depreciated, net	<u>2,832,460</u>	<u>162,090</u>	<u>124,833</u>	<u>2,869,717</u>
Construction in Progress	<u>2,106,646</u>	<u>9,989,070</u>	<u>210,000</u>	<u>11,885,716</u>
Business-type activities capital assets, net	<u>\$ 4,939,106</u>	<u>\$10,151,160</u>	<u>\$334,833</u>	<u>\$14,755,433</u>

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2020**

(G) CAPITAL ASSETS - continued

Depreciation expense for the year ended October 31, 2020 was charged as direct expense to programs of the government as follows:

Governmental Activities – Public Safety	<u>\$ 150,129</u>
Business-Type Activities – Public Safety	<u>\$ 185,210</u>

(H) BOARD COMPENSATION

The Board of Commissioners serve without compensation or per diem.

(I) RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; and natural disasters. The District is insured to reduce the exposure to these risks.

(J) LITIGATION

From time to time, the District is exposed to risk of loss related to claims against the District, arising in the normal course of operations. Management believes that the District's insurance coverage is sufficient for potential liabilities, if any. Therefore, no amounts were recorded in these financial statements.

(K) COMMITMENTS AND CONTINGENCIES

The District has entered into a contract with an architect for services related to the construction of the new public safety and communications center. The initial fee is estimated based on the projected cost of construction to be approximately \$983,311. As of October 31, 2020, the District has paid 755,820 under this contract, including \$138,306 during the year ended October 31, 2020.

In August 2019, the District entered into a construction contract for the construction of the new public safety communications center. The contract sum is guaranteed by the Construction Manager not to exceed \$9,761,505 (the Guaranteed Maximum Price), subject to additions and deductions by change order as outlined in the contract. The total net change orders as of October 31, 2020 were \$93,475 for a total contract price of \$9,854,930. As of October 31, 2019, the District has paid \$9,620,543 under this contract, which includes retainage payable in the amount of \$481,027.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2020**

(L) SUBSEQUENT EVENTS

The District has evaluated subsequent events through March 29, 2021, the date which these financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET (GAAP BASIS) AND ACTUAL
ENTERPRISE FUND - PROPRIETARY FUND
FOR THE YEAR ENDED OCTOBER 31, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE				
Telephone Tax	\$ 4,400,000	\$ 4,400,000	\$ 4,807,011	\$ 407,011
Miscellaneous Revenue	2,000	2,000	20,425	18,425
Interest Earnings	60,000	60,000	188,565	128,565
Gain (Loss) on Fixed Asset Disposal	(50,000)	(50,000)	20,747	70,747
Nonemployer Pension Contribution	-	-	20,173	20,173
Total Revenue	<u>4,412,000</u>	<u>4,412,000</u>	<u>5,056,921</u>	<u>644,921</u>
EXPENSES				
Current:				
Contractual Services	50,000	60,000	56,020	3,980
Depreciation	600,000	600,000	185,210	414,790
Dues and Subscriptions	1,000	1,400	1,296	104
Duplicating Expense	2,500	2,500	1,690	810
Insurance	344,800	372,800	331,916	40,884
Land Lease	300	300	-	300
Miscellaneous	18,000	18,000	13,223	4,777
Office and Postage	1,500	3,000	2,393	607
Other Post Employment Benefits	25,000	75,000	(6,572)	81,572
Printing	1,000	1,000	359	641
Professional Fees	42,000	35,000	27,750	7,250
Publication and Recordings	2,500	1,500	759	741
Repairs and Maintenance	300,000	725,198	306,224	418,974
Retirement and Medicare	390,000	532,000	280,244	251,756
Salaries	1,710,000	1,710,000	1,660,363	49,637
Supplies and Materials	125,000	198,000	195,459	2,541
Telecommunications	450,000	347,500	270,478	77,022
Training	30,000	12,000	7,178	4,822
Transportation	18,000	20,500	17,308	3,192
Travel and Meetings	1,500	1,500	699	801
Uniforms	3,000	3,000	1,609	1,391
Utilities	3,000	5,000	4,867	133
Total Expenses	<u>\$ 4,119,100</u>	<u>\$ 4,725,198</u>	<u>\$ 3,358,473</u>	<u>\$ 1,366,725</u>

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET (GAAP BASIS) AND ACTUAL
ENTERPRISE FUND - PROPRIETARY FUND
FOR THE YEAR ENDED OCTOBER 31, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES (BROUGHT FORWARD)	\$ 292,900	\$ (313,198)	\$ 1,698,448	\$ 2,011,646
NET POSITION, BEGINNING	<u>18,458,869</u>	<u>184,588,869</u>	<u>20,796,389</u>	<u>-</u>
NET POSITION, ENDING	<u>\$18,751,769</u>	<u>\$ 184,275,671</u>	<u>\$ 22,494,837</u>	<u>\$ 2,011,646</u>

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**SPECIAL REVENUE FUND
OFFICE OF HOMELAND SECURITY AND EMERGENCY PREPAREDNESS**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED OCTOBER 31, 2020**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Government Appropriations	\$ 162,750	\$ 194,459	\$ 176,884	\$ (17,575)
Grant Revenue	-	111,404	111,404	-
Interest Earnings	50	50	1,359	1,309
Miscellaneous Revenues	-	-	12,523	12,523
Total Revenue	162,800	305,913	302,170	(3,743)
EXPENDITURES				
Current:				
Dues, Licenses and Subscriptions	300	300	180	120
Duplicating Expense	200	200	122	78
Insurance	24,950	24,950	21,310	3,640
Miscellaneous	2,000	2,000	264	1,736
Non-Capital Expenses	-	5,463	5,463	-
Postage	200	200	55	145
Professional Fees	1,200	1,200	1,000	200
Publication and Recordings	200	200	-	200
Repairs and Maintenance	15,000	15,000	7,780	7,220
Retirement and Medicare	9,300	10,300	9,415	885
Salaries	71,000	71,000	69,313	1,687
Supplies and Materials	5,200	6,800	3,529	3,271
Telecommunications	20,000	15,000	9,023	5,977
Training	3,000	3,000	-	3,000
Transportation	6,050	7,050	5,525	1,525
Travel and Meetings	1,000	1,000	126	874
Uniforms	200	1,600	1,313	287
Utilities	3,000	3,000	2,426	574
Capital Outlay:				
Equipment	-	137,650	126,366	11,284
Total Expenditures	\$ 162,800	\$ 305,913	\$ 263,210	\$ 42,703

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**SPECIAL REVENUE FUND
OFFICE OF HOMELAND SECURITY AND EMERGENCY PREPAREDNESS**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED OCTOBER 31, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXCESS OF REVENUES OVER EXPENDITURES	\$ -	\$ -	\$ 38,960	\$ 38,960
OTHER FINANCING SOURCES (USES):				
Reimbursement of Excess Funds:				
City/Parish of Lafayette	<u>-</u>	<u>-</u>	<u>(38,960)</u>	<u>(38,960)</u>
EXCESS OF REVENUES OVER EXPENDITURE AND OTHER FINANCING USES	-	-	-	-
FUND BALANCE, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED OCTOBER 31, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	\$ 3,631	\$ 2,803	\$ 3,131
Interest	3,673	5,069	5,352
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(12,298)	8,152	2,838
Changes of assumptions	8,894	20,410	(10,136)
Benefit payments	<u>(14,654)</u>	<u>(30,714)</u>	<u>(29,113)</u>
Net change in total OPEB liability	(10,754)	5,720	(27,928)
Total OPEB liability - beginning	<u>138,971</u>	<u>133,251</u>	<u>161,179</u>
Total OPEB liability - ending	<u>\$ 128,217</u>	<u>\$ 138,971</u>	<u>\$ 133,251</u>
Covered-employee payroll	<u>\$ 1,693,359</u>	<u>\$ 1,498,849</u>	<u>\$ 1,484,009</u>
Net OPEB liability as a percentage of covered-employee payroll	<u>7.57%</u>	<u>9.27%</u>	<u>8.98%</u>
Notes to Schedule:			
Benefit Change	None	None	None
Changes of Assumptions:			
Discount Rate	4.30%	2.79%	2.37%

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

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB
FOR THE YEAR ENDED OCTOBER 31, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 10,530	\$ 10,792	\$ 12,060
Contributions in relation to the actuarially determined contribution			
Employer contributions to trust	-	-	-
Employer-paid retiree premiums	<u>(14,654)</u>	<u>(30,714)</u>	<u>(29,113)</u>
 Contribution deficiency (excess)	 <u>\$ (4,124)</u>	 <u>\$ (19,922)</u>	 <u>\$ (17,053)</u>
 Covered annual payroll	 <u>\$ 1,693,359</u>	 <u>\$ 1,498,849</u>	 <u>\$ 1,484,009</u>
 Contributions as a percentage of covered employee payroll	 <u>0.87%</u>	 <u>2.05%</u>	 <u>1.96%</u>

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

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED OCTOBER 31, 2020**

Year ended October 31,	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 its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.221775%	\$ 60,635	\$ 1,294,481	4.7%	99.15%
2016	0.229240%	\$ 603,427	\$ 1,412,214	42.7%	92.23%
2017	0.2369997%	\$ 488,104	\$ 1,411,574	34.6%	94.15%
2018	0.225874%	\$ (167,654)	\$ 1,580,812	-10.6%	101.98%
2019	0.246655%	\$ 1,094,262	\$ 1,643,375	66.6%	88.86%
2020	0.259891%	\$ 12,234	\$ 1,772,885	0.7%	99.89%

* - The amounts presented have a measurement date of December 31.

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

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION
FOR THE YEAR ENDED OCTOBER 31, 2020**

<u>Year ended October 31,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractual Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2015	\$ 207,117	\$ 212,694	\$ (5,577)	\$ 1,294,481	16.43%
2016	\$ 204,771	\$ 192,689	\$ 12,082	\$ 1,412,214	13.64%
2017	\$ 183,505	\$ 179,245	\$ 4,260	\$ 1,411,574	12.70%
2018	\$ 197,602	\$ 176,057	\$ 21,545	\$ 1,580,812	11.14%
2019	\$ 188,988	\$ 177,570	\$ 11,418	\$ 1,643,375	10.81%
2020	\$ 203,882	\$ 187,501	\$ 16,381	\$ 1,772,885	10.58%

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

**LAFAYETTE PAISH COMMUNICTON DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED OCTOBER 31, 2020**

(A) PENSION PLAN

Changes in Assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line method of 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 plan. 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 plan.

(B) OTHER POSTEMPLOYMENT BENEFITS

Benefit Changes – There were no changes of benefit terms for the year ended October 31, 2020.

Change of Assumptions – The discount rate as of October 31, 2019 was 2.79% and it changed to 2.37% as of October 31, 2020.

Actuarially determined contributions are calculated as of the last day of the fiscal year in which contributions were reported.

Valuation Date	November 1, 2020
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Dollar, Open
Amortization Period	30 years
Asset Valuation Method	Market Value
Inflation	2.5% Annually
Healthcare Cost Trend	5.5% Annually for ten years, 4.5% thereafter
Salary Increases	4.0% Including Inflation
Discount Rate	2.79% Annually (Beginning of Year to Determine ADC) 2.37% Annually (As of End of Year to Measurement Date)
Retirement Age	6 years delay after: Hire date Prior to 1/1/2007 – 30 years of service at any age; or age 55 and 25 years of service, or age 60 and 10 years of service; or age 65 and 7 years of service; Hired on or after 1/1/2007 – 30 years of service and age 55; or, age 62 and 10 years of service; or, age 67 and 7 years of service.
Mortality	RP-2000 without projection, 50% unisex blend.
Turnover	Age specific table with an average of 8% when applied to the active census.
Decline Rate	10% of retirees decline coverage at retirement.

OTHER SUPPLEMENTARY INFORMATION

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**SPECIAL REVENUE FUND
COMMUNICATION SYSTEM MANAGEMENT**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED OCTOBER 31, 2020**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Government Appropriation	\$ 175,000	\$ 175,000	\$ 98,752	\$ (76,248)
Interest Earnings	-	-	354	354
Total Revenue	175,000	175,000	99,106	(75,894)
EXPENDITURES				
Current:				
Dues and Licenses	300	300	85	215
Duplicating Expense	200	200	-	200
Postage	100	100	3	97
Professional Fees	1,000	1,000	1,000	-
Publications and Recordations	300	500	450	50
Repairs and Maintenance	86,500	86,500	42,012	44,488
Supplies and Materials	2,500	2,300	748	1,552
Telecommunications	48,100	48,100	37,143	10,957
Tower Rentals	22,000	22,000	17,376	4,624
Training	3,000	3,000	-	3,000
Utilities	11,000	11,000	7,011	3,989
Total Expenditures	175,000	175,000	105,828	69,172
DEFICIENCY OF REVENUES OVER EXPENDITURES	-	-	(6,722)	(6,722)
OTHER FINANCING SOURCES (USES)				
Reimbursement of Funds:				
City/Parish of Lafayette	-	-	6,722	6,722
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	-	-	-	-
FUND BALANCE, BEGINNING	-	-	-	-
FUND BALANCE, ENDING	\$ -	\$ -	\$ -	\$ -

See Independent Auditors' Report.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**SCHEDULE OF WIRELESS 911 REVENUES AND EXPENDITURES
FOR THE YEAR ENDED OCTOBER 31, 2020**

REVENUES	
AT&T (Lafayette MSA)	\$ 1,638,069.41
New Cingular Wireless PCS, LLC	185,015.19
SprintCom, Inc.	142,021.68
State of Louisiana - Department of Revenue	591,481.01
T-Mobile Central	159,544.69
Verizon Wireless/CELLCO	531,033.51
Other Wireless Companies	<u>224,499.39</u>
TOTAL REVENUES	<u>\$ 3,471,664.88</u>

NOTE: The collection of the Wireless E911 tax is authorized by Louisiana Revised Statute 33:9109. According to the statute, the District is to collect the tax from the providers of wireless communications. The proceeds of the tax are restricted in use for payment of service suppliers' and the District's costs associated with the implementation of Phase I and Phase II enhancements required by the FCC. Once these expenditures have been made and the system implementation is complete, the proceeds become unrestricted and may be used for any lawful purpose of the District. All Phase I and Phase II system implementation requirements are complete.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
FOR THE YEAR ENDED OCTOBER 31, 2020**

Agency Head Name: James C. Stansbury

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 112,156
Benefits - Insurance, Retirement, Medicare, etc.	19,602
Vehicle Subsidy Leases	820
Per Diem	1,087
Travel	3,678
Registration Fees	680
Transportation	255

See Independent Auditors' Report.

COMPLIANCE AND INTERNAL CONTROL

WRIGHT, MOORE, DEHART, DUPUIS & HUTCHINSON, L.L.C.

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* A PROFESSIONAL CORPORATION
** A LIMITED LIABILITY COMPANY



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INDEPENDENT AUDITORS' 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
Lafayette Parish Communication District
Lafayette, 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, the business-type activities, and the major funds of Lafayette Parish Communication District, A Component Unit of the Consolidated Government of Lafayette, Louisiana, as of and for the year ended October 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 29, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lafayette Parish Communication District's internal control over financial reporting (internal control) as a basis for designing 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 Lafayette Parish Communication District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lafayette Parish Communication District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal 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 Lafayette Parish Communication District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor of the State of Louisiana as a public document.

*Wright, Moore, DeHart,
Dupuis & Hutchinson*

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, L.L.C.
Certified Public Accountants

March 29, 2021
Lafayette, Louisiana

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED OCTOBER 31, 2020**

We have audited the financial statements of the Lafayette Parish Communication District as of and for the year ended October 31, 2020 and have issued our report thereon dated March 29, 2021. 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 October 31, 2020 resulted in an unmodified opinion.

Section I - Summary of Auditors' Reports

A. FINANCIAL STATEMENTS

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses	___	Yes	✓	No
Significant Deficiency	___	Yes	✓	No

Compliance

Compliance Material to Financial Statements	___	Yes	✓	No
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B. FEDERAL AWARDS

This section is not applicable for the fiscal year ended October 31, 2020.

Section II - Financial Statement Findings

The audit did not disclose any findings required to be reported.

Section III - Federal Award Findings and Questioned Costs

This section is not applicable for the fiscal year ended October 31, 2020.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED OCTOBER 31, 2020**

There were no prior year findings.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED OCTOBER 31, 2020**

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