

MOREHOUSE PARISH COMMUNICATIONS DISTRICT  
BASTROP, LOUISIANA

FINANCIAL REPORT  
(Reviewed)

AND

REPORT ON APPLYING AGREED-UP ON PROCEDURES

December 31, 2018

**HILL, INZINA & COMPANY**

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# HILL, INZINA & COMPANY

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Commissioners  
Morehouse Parish Communications District  
Bastrop, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and each major fund of Morehouse Parish Communications District (a component unit of Morehouse Parish) (the "District"), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the District's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### Management's Responsibility for the Financial Statements

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

### Accountant's Responsibility

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

### Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

## Other Matters

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The information is the responsibility of management. We have not audited or reviewed such required supplementary information and, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on it.

### Other Supplementary Information

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

## Report on Agreed-Upon Procedures

In accordance with *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report dated April 17, 2019 on the results of our agreed-upon procedures.

*/s/ Hill, Inzina & Co.*

April 17, 2019

REQUIRED SUPPLEMENTARY INFORMATION (Part 1 of 2)

## MOREHOUSE PARISH COMMUNICATIONS DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS

As of and for the Year Ended December 31, 2018

As management of Morehouse Parish Communications District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2018. Please read it in conjunction with the District's basic financial statements. This discussion and analysis of management is designed to provide an objective and easy-to-read analysis of the District's financial activities based on currently known facts, decisions, or conditions. It is intended to provide readers with a broad overview of the District's finances. It is also intended to provide readers with an analysis of the short-term and long-term activities of the District based on information presented in the financial report and fiscal policies that have been adopted by the District. Specifically, this section is designed to assist the readers in focusing on significant financial issues, provide an overview of the District's financial activity, identify changes in the District's financial position (its ability to address the next and subsequent years' challenges), identify any material deviations from the financial plan (the approved budget), and identify individual issues or concerns.

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

#### Overview of the Financial Statements

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

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

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

## 1. Government-wide financial statements

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

The statement of net position presents information on all of the District's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The difference between assets and liabilities is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or weakening. Evaluation of the overall economic health of the District would extend to other nonfinancial factors in addition to the financial information provided in this report.

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

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

## 2. Fund financial statements

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

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

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

### 3. Notes to financial statements

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

#### Government-Wide Financial Analysis

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

	Year Ended December 31,	
	<u>2018</u>	<u>2017</u>
Current and other assets	\$ 985,700	\$ 916,611
Capital assets	<u>-</u>	<u>-</u>
Total assets	<u>\$ 985,700</u>	<u>\$ 916,611</u>
Other liabilities	\$ 7,595	\$ 4,798
Net position:		
Invested in capital assets	\$ -	\$ -
Unrestricted	<u>978,105</u>	<u>911,813</u>
Total net position	<u>\$ 978,105</u>	<u>\$ 911,813</u>
Total liabilities and net position	<u>\$ 985,700</u>	<u>\$ 916,611</u>

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

#### Governmental Activities

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

	Year Ended December 31,	
	<u>2018</u>	<u>2017</u>
Program revenues	\$ 236,438	\$ 209,071
General revenues	6,571	2,061
Public safety expenses	<u>(176,717)</u>	<u>(160,172)</u>
Changes in net position	<u>\$ 66,292</u>	<u>\$ 50,960</u>

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

#### Budgetary Highlights

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

The District made one amendment to its original budget for the year ended December 31, 2018. Actual non-GAAP basis revenues of the General Fund of \$228,243 were more than budgeted revenues of \$228,000 and actual non-GAAP basis expenditures of \$171,179 were less than budgeted expenditures of \$175,500.

#### Capital Assets

The District's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2018 was \$0.

#### Economic Factors and Next Year's Budget

For the year ending December 31, 2019, the District anticipated that revenues would remain the same while expenditures were also budgeted to remain relatively unchanged from the final budget adopted for the year ended December 31, 2018.

BASIC FINANCIAL STATEMENTS

MOREHOUSE PARISH COMMUNICATIONS DISTRICT  
BASTROP, LOUISIANA

STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES  
December 31, 2018

ASSETS

Cash	\$	403,336
Certificates of deposit		536,102
Other receivable		3,695
User fees receivable		<u>42,567</u>
Total assets	\$	<u>985,700</u>

LIABILITIES AND NET POSITION

Accrued expenses	\$	249
Accounts payable		<u>7,346</u>
Total liabilities	\$	7,595
Net position - unrestricted		<u>978,105</u>
Total liabilities and net position	\$	<u>985,700</u>

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

MORRHOUSE PARISH COMMUNICATIONS DISTRICT  
BASTROP, LOUISIANA

STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES  
For the Year Ended December 31, 2018

Expenses:	
Current:	
Public safety:	
Commissioners' fees	\$ 1,175
Contractual services	26,400
Dispatchers' supplemental pay	7,787
Insurance	3,420
Legal and accounting	3,200
Legal publishing	169
Maintenance and use	120,096
Materials and supplies	3,373
Office and postage	141
Salaries	6,497
Taxes - payroll	1,081
Telephone	<u>3,378</u>
Total expenses	\$ <u>176,717</u>
Program revenues:	
Public safety:	
Charges for services	<u>236,438</u>
Net revenues	\$ <u>59,721</u>
General revenues:	
Interest and miscellaneous	<u>6,571</u>
Change in net position	\$ 66,292
Net position - beginning	<u>911,813</u>
Net position - ending	<u>\$ 978,105</u>

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

MOREHOUSE PARISH COMMUNICATIONS DISTRICT  
BASTROP, LOUISIANA

BALANCE SHEET - GOVERNMENTAL FUND - GENERAL FUND  
December 31, 2018

ASSETS

Cash	\$	403,336
Certificates of deposit		536,102
Other receivable		3,695
User fees receivable		<u>42,567</u>
Total assets	\$	<u>985,700</u>

LIABILITIES AND FUND BALANCE

Accrued expenses	\$	249
Accounts payable		<u>7,346</u>
Total liabilities	\$	7,595
Fund balance - unassigned		<u>978,105</u>
Total liabilities and fund balance	\$	<u>985,700</u>

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

MORRHOUSE PARISH COMMUNICATIONS DISTRICT  
BAS LROP, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
GOVERNMENTAL FUND - GENERAL FUND  
For the Year Ended December 31, 2018

Revenues:		
Fees and services	\$	236,438
Interest and miscellaneous		<u>6,571</u>
Total revenues	\$	<u>243,009</u>
 Expenditures:		
Current:		
Public safety:		
Commissioners' fees	\$	1,175
Contractual services		26,400
Dispatchers' supplemental pay		7,787
Insurance		3,420
Legal and accounting		3,200
Legal publishing		169
Maintenance and use		120,096
Material and supplies		3,373
Office and postage		141
Salaries		6,497
Taxes - payroll		1,081
Telephone		<u>3,378</u>
Total expenditures	\$	<u>176,717</u>
 Net change in fund balance	\$	66,292
 Fund balance - beginning		<u>911,813</u>
 Fund balance - ending	\$	<u>978,105</u>

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

MOREHOUSE PARISH COMMUNICATIONS DISTRICT  
BASILROP, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018

Note 1. Organization and Summary of Significant Accounting Policies

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

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

The District employs one part-time employee.

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

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

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

Government-Wide Financial Statements:

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

## NOTES TO FINANCIAL STATEMENTS

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

### Fund Financial Statements:

Fund financial statements are provided for the governmental fund.

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

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

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

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

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

### Fund Type and Major Fund:

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

## NOTES TO FINANCIAL STATEMENTS

### Budgets and Budgetary Accounting:

The Board of Commissioners adopted the annual budget for the General Fund on December 28, 2017. The annual budget was prepared on a non-GAAP budgetary basis of accounting. The Treasurer is authorized to transfer budgeted amounts within and among departments; however, any revisions that alter the total expenditures resulting from revenues exceeding amounts estimated must be approved by the Board of Commissioners. The only amendment was made to the budget on December 18, 2018 and the budgetary comparison schedule, included as supplementary information in the accompanying financial statements, includes the original and final amended budgeted amounts. All annual appropriations lapse at the end of each fiscal year.

### Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### Cash and Certificates of Deposit:

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

### Receivables:

Receivables include user fees and insurance proceeds.

### Uncollectible Allowance:

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

## NOTES TO FINANCIAL STATEMENTS

### Capital Assets and Depreciation:

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

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

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

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

### Equity Classifications:

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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

### Note 2. Cash and Deposits

The following is a summary of cash and deposits of the District as of December 31, 2018:

Non-interest bearing demand deposits	\$ 403,336
Time deposits	<u>536,102</u>
	<u>\$ 939,438</u>

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

As of December 31, 2018, the District had \$941,758 in deposits (collected bank balances). These deposits were secured from risk by \$536,107 of federal deposit insurance and \$405,651 of pledged securities held by the counterparty's trust department or agent in Morehouse Parish Police Jury's name. Capital One Bank has advised that it will make a separate pledge agreement for the District but in the meantime, assures the District that they are adequately covered.

There were no repurchase or reverse repurchase agreements as of December 31, 2018.

## NOTES TO FINANCIAL STATEMENTS

### Note 3. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2018 for the District is as follows:

	Balance January <u>1, 2018</u>	Increases	Decreases	Balance December <u>31, 2018</u>
Capital assets being depreciated:				
Machinery and equipment	\$ 609,812	\$ -	\$ -	\$ 609,812
Less accumulated depreciation for:				
Machinery and equipment	<u>(609,812)</u>	-	-	<u>(609,812)</u>
Total capital assets being depreciated, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Depreciation expense is reported separately in the statement of activities.

### Note 4. Risk Management

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

### Note 5. Subsequent Events

Subsequent events were evaluated through April 17, 2019, which is the day the financial statements were available to be issued, and it was determined that no significant events had occurred requiring disclosure.

REQUIRED SUPPLEMENTARY INFORMATION (Part 2 of 2)

MORNINGHOUSE PARISH COMMUNICATIONS DISTRICT  
BASTROP, LOUISIANA

BUDGETARY (NON-GAAP) COMPARISON SCHEDULE -  
GOVERNMENTAL FUND - GENERAL FUND  
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		Actual	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget - Favorable (Unfavorable)
Revenues:				
Fees and services	\$ 215,000	\$ 226,000	\$ 225,367	\$( 633)
Interest and miscellaneous	2,000	2,000	2,876	876
Total revenues	<u>\$ 217,000</u>	<u>\$ 228,000</u>	<u>\$ 228,243</u>	<u>\$ 243</u>
Expenditures:				
Public safety:				
Commissioners' fees	\$ 1,500	\$ 1,500	\$ 1,175	\$ 325
Contractual services	27,000	27,000	26,400	600
Dispatchers' supplemental pay	10,000	8,000	7,787	213
Insurance	4,000	4,000	3,420	580
Legal and accounting	5,000	2,500	1,330	1,170
Legal publishing	500	500	169	331
Maintenance and use	77,500	115,000	116,554	( 1,554)
Materials and supplies	6,000	5,000	3,373	1,627
Office and postage	500	500	139	361
Salaries	6,500	6,500	6,497	3
Taxes - payroll	500	1,000	957	43
Telephone	3,000	3,000	3,378	( 378)
Capital outlay	<u>15,000</u>	<u>1,000</u>	-	<u>1,000</u>
Total expenditures	<u>\$ 157,000</u>	<u>\$ 175,500</u>	<u>\$ 171,179</u>	<u>\$ 4,321</u>

(continued)

MOREHOUSE PARISH COMMUNICATIONS DISTRICT  
BASTROP, LOUISIANA

BUDGETARY (NON-GAPP) COMPARISON SCHEDULE -  
GOVERNMENTAL FUND - GENERAL FUND (Continued)  
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget - Favorable (Unfavorable)
Net changes in fund balances	\$ 60,000	\$ 52,500	\$ 57,064	\$ 4,564
Fund balances (non-GAAP and GAAP budgetary basis) - beginning	<u>882,748</u>	<u>882,748</u>	<u>911,812</u>	<u>29,064</u>
Fund balances (non- GAAP and GAAP budgetary basis) - ending	<u>\$ 942,748</u>	<u>\$ 935,248</u>	\$ 968,876	<u>\$ 33,628</u>
Adjustments to generally accepted accounting principles:				
Expenditure accruals			( 3,667)	
Revenue accruals			<u>12,896</u>	
Fund balances (GAAP basis) - ending			<u>\$ 978,105</u>	

See independent accountant's review report.

OTHER SUPPLEMENTARY INFORMATION

MOREHOUSE PARISH COMMUNICATIONS DISTRICT  
BASTROP, LOUISIANA

SCHEDULE OF COMPENSATION PAID COMMISSIONERS  
Year Ended December 31, 2018

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

<u>Name and Title</u>	<u>Compensation</u>
Brain Shoemaker, Chairman	\$ 300
Allen Campbell	210
Jeremy DeIce	105
Ted Parker	210
William Shepherd	210
Lawrence Robinson	35
Daniel Harris	<u>105</u>
Total compensation	<u>\$ 1,175</u>

See independent accountant's review report.

MOREHOUSE PARISH COMMUNICATIONS DISTRICT  
BASTROP, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS,  
AND OTHER PAYMENTS TO AGENCY HEAD  
As of and For the Year Ended December 31, 2018

The District paid no compensation, reimbursements, or benefits to an agency head during the year ended December 31, 2018.

See independent accountant's review report.

# HILL, INZINA & COMPANY

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## INDEPENDENT ACCOUNTANTS REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners  
Morehouse Parish Communications District  
Bastrop, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Morehouse Parish Communications District (the "District") and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations during the year ended December 31, 2018, included in the accompanying *Louisiana Attestation Questionnaire*. The District's management is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Governmental Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our applied procedures, together with any findings, follow:

### *Public Bid Law*

1. Select all expenditures made during the year for materials and supplies exceeding \$50,000, or public works exceeding \$154,450, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2296 (the public bid law) or R.S. 39:1551-39:1775 (the state procurement code), whichever is applicable.
  - a. Our review of expenditure totals and the detail general ledger revealed no individual checks for materials and supplies exceeding \$50,000 and no individual checks for or exceeding \$154,450 for public works.

### *Code of Ethics for Public Officials and Public Employees*

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

3. Obtain from management a listing of all employees paid during the period under examination.
4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.
  - Management provided the required information. The employee included on the employee list provided by management in agreed-upon procedure (3) did not appear on the list provided by management in agreed-upon procedure (2).

#### *Budgeting*

5. Obtain a copy of the legally adopted budget and all amendments.
6. Trace the budget adoption and amendments to the minute book.
7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more, or if actual expenditures exceeded budgeted amounts by 5% or more.
  - Management provided a copy of the original budget. We traced the adoption of the original budget to the minutes of a meeting held on December 28, 2017, which indicated that the budget was adopted by the Commissioners of the District by a unanimous vote. The only amendment was made to the budget by the Commissioners on December 18, 2018.
  - We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Revenues did not fail to meet budgeted revenues by 5% or more and expenditures did not exceed budgeted expenditures by 5% or more.

#### *Accounting and Reporting*

8. Randomly select six disbursements made during the period under examination and (a) trace payments to supporting documentation as to proper amount and payee; (b) determine if payments were properly coded to the correct fund and general ledger account; and (c) determine whether payments received approval from proper authorities.
  - We examined supporting documentation for each of the six selected disbursements and found that the payments were for the proper amounts and made to the correct payees; were properly coded to the correct fund and general ledger accounts; and received approval from the Board of Commissioners.

### *Meetings*

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:11 through 42:28 (the open meetings law).
  - The District is only required to post a notice of each meeting and the accompanying agenda on the door of the District's meeting location. We examined such documents and management has asserted that such were properly posted.

### *Debt*

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of banks loans, bonds, or like indebtedness.
  - We scanned bank deposits and the detail general ledger for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

### *Advances and Bonuses*

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.
  - A review of the minutes for the District for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

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

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

*/s/ Hill, Inzina & Co.*

April 17, 2019

LOUISIANA ATTESTATION QUESTIONNAIRE

12-18-2018 Date

Hill, Izma & Co  
Certified Public Accountants  
701 East Madison Avenue  
Bastrop, LA 71229

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2018 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you:

**Public Bid Law**

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

Yes  No

**Code of Ethics for Public Officials and Public Employees**

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

Yes  No

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

Yes  No

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-131, R.S. 39:33), or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes  No

**Accounting and Reporting**

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

Yes  No

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

Yes  No

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

Yes  No

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.A.(2) and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes  No

We have complied with R.S. 24:513.A.(5) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes  No

### **Meetings**

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes  No

### **Debt**

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

Yes  No

### **Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-779.

Yes  No

### **Prior Year Comments**

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

Yes  No

**General**

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

Yes  No

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

Yes  No

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

Yes  No

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

Yes  No

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

Yes  No

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

Yes  No

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



Chairman 12-19-2018 Date



Treasurer 12-18-2018 Date