

ST. LANDRY PARISH COMMUNICATIONS  
DISTRICT

OPELOUSAS, LOUISIANA

FINANCIAL REPORT

DECEMBER 31, 2017



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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities of St. Landry Parish Communications District as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Communications District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the St. Landry Parish Communications District, as of December 31, 2017, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

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

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

### ***Supplementary and Other Information***

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

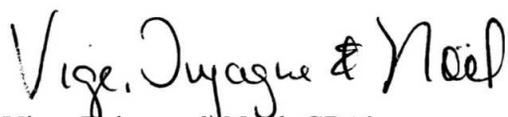
The other supplementary information and schedule of compensation, benefits, and other payments to agency head is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments and other

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2017, on our consideration of the St. Landry Parish Communications District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. Landry Parish Communications District's internal control over financial reporting and compliance.

The prior year comparative information has been derived from the St. Landry Parish Communications District's 2016 financial statements and, in our report dated April 27, 2017, we expressed unmodified opinions on the respective financial statements of the governmental activities.



Vige, Tujague & Noël, CPA's

Eunice, Louisiana

May 10, 2018

## BASIC FINANCIAL STATEMENTS

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

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

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

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

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS  
(GWFS)

ST. LANDRY PARISH COMMUNICATIONS DISTRICT  
 OPELOUSAS, LOUISIANA  
 STATEMENT OF NET POSITION  
 DECEMBER 31, 2017  
 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2016

	2017	2016
<b>ASSETS</b>		
Cash	\$ 500,279	\$ 243,393
Receivables	170,458	127,957
Restricted cash	96,388	84,016
Prepaid expenses	13,566	12,745
Capital assets, net	2,251,536	2,020,886
Total assets	3,032,227	2,488,997
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions	211,608	314,031
 <b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable and accrued expenses	47,596	59,668
Current portion of lease payable	27,997	-
Current portion of bonds payable	43,736	41,919
Total current liabilities	119,329	101,587
Noncurrent Liabilities:		
Compensated absences	143,527	190,178
Bonds payable	1,803,858	1,847,598
Lease payable	122,003	-
Net pension liability	172,600	224,879
Total noncurrent liabilities	2,241,988	2,262,655
Total liabilities	2,361,317	2,364,242
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions	30,444	36,087
 Net Position:		
Investments in capital assets, net of related debt	403,942	131,369
Restricted for debt service	96,388	84,016
Unrestricted	351,744	187,314
Total net position	\$ 852,074	\$ 402,699

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

ST. LANDRY PARISH COMMUNICATIONS DISTRICT  
 OPELOUSAS, LOUISIANA  
 STATEMENT OF ACTIVITES  
 FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues Fees, Fines, and Charges for Services</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>  <u>Governmental Activities</u>
Governmental activities:			
General government			
Public safety	\$ 764,304	\$ 1,262,676	\$ 498,372
Interest and fees on debt	79,476	-	(79,476)
Total governmental activities	<u>\$ 843,780</u>	<u>\$ 1,262,676</u>	<u>418,896</u>

General revenues:	
Interest and investment earnings	943
Miscellaneous	23,345
Nonemployer pension contributions	6,191
Total general revenues	<u>30,479</u>
Change in net position	449,375
Net position - December 31, 2016	<u>402,699</u>
Net position - December 31, 2017	<u>\$ 852,074</u>

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

## FUND FINANCIAL STATEMENTS

ST. LANDRY PARISH COMMUNICATIONS DISTRICT  
 OPELOUSAS, LOUISIANA  
 BALANCE SHEET - GOVERNMENTAL FUND  
 DECEMBER 31, 2017  
 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2016

	2017	2016
<b>ASSETS</b>		
Cash	\$ 500,279	\$ 243,393
Fees receivable	170,458	127,957
Restricted cash	96,388	84,016
Prepaid expenses	13,566	12,745
Total assets	\$ 780,691	\$ 468,111
<b>LIABILITIES</b>		
Liabilities:		
Accounts payable	\$ 6,269	\$ 13,401
Accrued wages payable	18,496	18,295
Payroll taxes payable	912	1,070
Accrued interest payable	645	660
Retirement payable	20,712	25,544
Supplemental insurance payable	562	698
Total liabilities	47,596	59,668
Fund balances:		
Restricted		
Reserve for debt service	96,388	84,016
Committed		
ANI/ALI equipment	200,000	200,000
Unassigned	436,707	124,427
Total fund balances	733,095	408,443
Total liabilities and fund balances	\$ 780,691	\$ 468,111

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

ST. LANDRY PARISH COMMUNICATIONS DISTRICT  
 OPELOUSAS, LOUISIANA  
 RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET  
 TO THE STATEMENT OF NET POSITION  
 DECEMBER 31, 2017

Total fund balances for governmental funds at December 31, 2017		\$ 733,095
Total net assets reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Cost of capital assets at December 31, 2017	\$ 2,903,806	
Less: Accumulated depreciation	<u>(652,270)</u>	2,251,536
Amounts related to pension recognition are not due and payable in the current period and, therefore, are not reported in the funds		
		8,564
Long-term liabilities at December 31, 2017		
Compensated Absences		(143,527)
Lease Payable		(150,000)
Bond Payable		<u>(1,847,594)</u>
Total net position of governmental activities at December 31, 2017		<u>\$ 852,074</u>

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

ST. LANDRY PARISH COMMUNICATIONS DISTRICT  
 OPELOUSAS, LOUISIANA  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - GOVERNMENTAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2017  
 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2016

	<u>2017</u>	<u>2016</u>
Revenues:		
Charges for services		
Private sign reimbursements	\$ 48	\$ 95
Wireless telephone fees (including prepaid)	973,241	674,913
Records request income	167	278
Tower rental income	4,800	4,800
Land line telephone fees	284,420	290,676
Interest income	943	799
Miscellaneous	23,345	6,731
Total Revenues	<u>1,286,964</u>	<u>978,292</u>
Expenditures:		
Current		
Salaries	513,287	536,935
Payroll taxes	10,966	9,358
Retirement	56,161	64,612
Auto repair/maintenance	833	6,333
Auto fuel	1,950	2,099
Telephone - office	3,283	2,677
Telephone - cellular	3,778	3,212
Telephone - line expense	37,490	42,750
Education	400	100
Dues and subscriptions	784	-
Utilities	27,154	23,592
Professional fees	5,124	5,105
Insurance -		
Employees health	89,911	95,519
Workmen's compensation	3,950	3,667
Automobile	2,524	2,500
General liability	18,365	15,661
Management liability	5,127	4,740
Surety bonds	294	294
Life insurance - employees	822	912

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

ST. LANDRY PARISH COMMUNICATIONS DISTRICT  
OPELOUSAS, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - GOVERNMENTAL FUND (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2017  
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2016

	<u>2017</u>	<u>2016</u>
Expenditures (continued):		
Office supplies	\$ 2,691	\$ 3,289
Postage	147	47
Office repairs/maintenance	7,063	8,642
Bank service charges	66	-
Housekeeping supplies	1,654	900
Maintenance agreements	19,705	19,411
Tower maintenance expense	23,618	-
Addressing supplies	46	399
Travel expense	1,273	326
Radio system maintenance and improvements	1,555	4,047
Miscellaneous	892	304
Debt service (principal, interest and fees)	121,399	121,400
Capital outlay	150,000	15,975
Total Expenditures	<u>1,112,312</u>	<u>994,806</u>
Excess of revenues over (under) expenditures	174,652	(16,514)
Other Financing Sources:		
Lease proceeds	<u>150,000</u>	<u>-</u>
Total other financing sources	<u>150,000</u>	<u>-</u>
Net change in fund balance	324,652	(16,514)
Fund balance, beginning	<u>408,443</u>	<u>424,957</u>
Fund balance, ending	<u>\$ 733,095</u>	<u>\$ 408,443</u>

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

ST. LANDRY PARISH COMMUNICATIONS DISTRICT  
 OPELOUSAS, LOUISIANA  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND  
 TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2017

Total net change in fund balance at December 31, 2017  
 per Statement of Revenues, Expenditures and  
 Changes in Fund Balances \$ 324,652

The change in net position reported for governmental  
 activities in the statement of activities is  
 different because:

Governmental funds report capital outlays as  
 expenditures. However, in the statement of  
 activities, the cost of those assets is  
 allocated over their estimated useful lives and  
 reported as depreciation expense.

Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 150,000	
Depreciation expense for the year ended December 31, 2017	80,650	230,650
Decrease (increase) in long-term portion of compensated absences		46,651
Proceeds from the issuance of debt is recorded as revenue, but in the Statement of Net Assets, the issuance of debt results in a liability		(150,000)
Net effect of pension liability recognition		(44,501)
Changes in long term debt:		
: Bonds Payable		41,923
Total changes in net position at December 31, 2017 per Statement of Activities		\$ 449,375

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

ST. LANDRY PARISH COMMUNICATIONS DISTRICT  
OPELOUSAS, LOUISIANA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

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

A. REPORTING ENTITY

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

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

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

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the parish government to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the parish government.
2. Organizations for which the parish government does not appoint a voting majority but are fiscally dependent on the parish government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

ST. LANDRY PARISH COMMUNICATIONS DISTRICT  
OPELOUSAS, LOUISIANA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

A. REPORTING ENTITY (continued)

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

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

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

B. BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The statement of net position and the statement of activities display information on all of the nonfiduciary activities of the St. Landry Parish Communications District, the primary government, as a whole. They include all funds of the reporting entity. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Fiduciary funds are not included in the GWFS.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

ST. LANDRY PARISH COMMUNICATIONS DISTRICT  
OPELOUSAS, LOUISIANA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

B. BASIS OF PRESENTATION (continued)

FUND FINANCIAL STATEMENTS

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

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

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

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

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

ST. LANDRY PARISH COMMUNICATIONS DISTRICT  
OPELOUSAS, LOUISIANA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (continued)

MEASUREMENT FOCUS

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

The government-wide financial statements utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

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

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

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

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

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

ST. LANDRY PARISH COMMUNICATIONS DISTRICT  
OPELOUSAS, LOUISIANA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

D. DEPOSITS AND INVESTMENTS

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

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

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

E. RECEIVABLES

Receivable balances include wireless, prepaid, and landline income.

ST. LANDRY PARISH COMMUNICATIONS DISTRICT  
OPELOUSAS, LOUISIANA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

F. CAPITAL ASSETS

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

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

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

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

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

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

G. ACCUMULATED VACATION AND SICK LEAVE

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

All District employees will earn 8 hours sick leave per month for a maximum of 96 hours per year. Once an employee earns a minimum of 480 hours (equals approximately three months' work hours) the employee is eligible for cash reimbursement of hours earned over the minimum of 480 hours at the end of the calendar year (December).

ST. LANDRY PARISH COMMUNICATIONS DISTRICT  
OPELOUSAS, LOUISIANA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

G. ACCUMULATED VACATION AND SICK LEAVE (continued)

A maximum of 960 hours earned sick leave (equals approximately six months' work hours) may be accrued by the employee. As of January 1, 2014, sick leave will no longer be paid or accumulate beyond 960 hours. An employee will have the option of a cash reimbursement in December of each year, limited to no more than 96 hours per calendar year, less the amount of sick leave used during that year. When an employee severs ties with the District, the District reserves the right to either payoff the amount of sick leave earned in one payment, or make incremental payments during the regularly scheduled payroll of the District at the employee's last pay rate until the amount of sick leave is paid to the former employee in full.

H. LONG-TERM OBLIGATIONS

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

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

I. EQUITY CLASSIFICATIONS

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

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

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

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

I. EQUITY CLASSIFICATIONS (continued)

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

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

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

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

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

J. ESTIMATES

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

K. BUDGETS AND BUDGETARY ACCOUNTING

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

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

L. ENCUMBRANCES

The District does not utilize an encumbrance system.

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OPELOUSAS, LOUISIANA  
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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

M. FUND BALANCE

The District does not have a deficit fund balance.

N. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

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

O. ADOPTION OF NEW ACCOUNTING PRINCIPLES

For the year ended December 31, 2015, the following statements were implemented: GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*- an amendment of GASB Statement No. 27, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*- amendment of GASB Statement No. 68. These statements changed the accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts. The following GASB statement was also effective but did not impact the financial statements of the District: GASB Statement No. 69, *Government Combinations and Disposals of Governmental Operations*.

NOTE 2 – CASH AND INVESTMENTS

Under state law the District may deposit funds with any bank located within the state and organized under the laws of the state of Louisiana, any other state in the union, or under the laws of the United States. Further, the District may invest in time deposits or certificates of deposit of those banks.

Bank deposits must be secured by federal depository insurance or the pledge of securities owned by the bank. The market value of the pledged securities must at all times equal or exceed 100 percent of the uninsured amount on deposit with the bank.

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At December 31, 2017, the carrying amount of the District's cash was \$596,667 and the bank balance was \$597,786 which was covered by \$323,531 of federal depository insurance and \$270,760 in pledged securities. The District had a shortage in security pledges in the amount of \$3,495 at December 31, 2017.

NOTE 3 – CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2017 of the St. Landry Parish Communications District are as follows:

	Balance 12/31/2016	Additions	Deletions	Balance 12/31/2017
Governmental activities:				
Equipment	\$ 345,959	\$ 150,000	\$ -	\$ 495,959
Vehicles	54,430	-	-	54,430
Building	2,353,417	-	-	2,353,417
Totals	<u>2,753,806</u>	<u>150,000</u>	<u>-</u>	<u>2,903,806</u>
Less accumulated depreciation				
Equipment	\$ 249,058	\$ (18,980)	\$ -	\$ 230,078
Vehicles	38,548	(2,835)	-	35,713
Building	445,314	(58,835)	-	386,479
Total accumulated depreciation	<u>732,920</u>	<u>(80,650)</u>	<u>-</u>	<u>652,270</u>
Net capital assets	<u>\$ 2,020,886</u>	<u>\$ 230,650</u>	<u>\$ -</u>	<u>\$ 2,251,536</u>

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

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

ST. LANDRY PARISH COMMUNICATIONS DISTRICT  
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 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2017

NOTE 3 – CAPITAL ASSETS (continued)

Depreciation expenses for the year ended December 31, 2017 amounted to \$80,650.

NOTE 4 – LONG TERM LIABILITIES

Changes in long-term debt are as follows:

	Balances at January 1, 2017	Additions	Retirements	Balances at December 31, 2017	Balances Due Within One Year
Bond Payable	\$ 1,889,517	\$ -	\$ 41,923	\$ 1,847,594	\$ 43,736
Compensated Absences	190,178	-	46,651	143,527	-
Lease Payable	-	150,000	-	150,000	27,997
Total	<u>\$ 2,079,695</u>	<u>\$ 150,000</u>	<u>\$ 88,574</u>	<u>\$ 2,141,121</u>	<u>\$ 71,733</u>

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

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

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

Additionally, beginning in April 2009, the St. Landry Parish Communications District is required to deposit \$506 per month into a reserve fund until a balance of \$121,414 has been accumulated. This reserve fund is to be retained solely for the purpose of paying the principal and interest on bonds payable if the sinking fund were in default. The balance required in the reserve fund at December 31, 2017 is \$52,645. As of December 31, 2017, the balance in the reserve fund account is \$53,061.

The bond agreement also requires a contingency fund with a monthly deposit of \$506 until a balance of \$121,414 is reached, and then deposits will increase to \$1,012 per month. Money in the contingency fund shall be used to pay principal and interest on any bond when there are not sufficient funds in the sinking fund or reserve fund. The required balance at December 31, 2017

ST. LANDRY PARISH COMMUNICATIONS DISTRICT  
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NOTE 4 – LONG TERM LIABILITIES (continued)

in the contingency fund is \$42,976. At December 31, 2017 the balance in the contingency fund is \$43,327.

Maturities of the bond are scheduled as follows:

<u>Year Ending December 31,</u>	USDA Rural Development Loan		
	Interest Payments	Principal Payments	Total
2018	\$ 77,678	\$ 43,736	\$ 121,414
2019	75,783	45,631	121,414
2020	73,805	47,609	121,414
2021	71,742	49,672	121,414
2022	69,589	51,825	121,414
2023-2027	312,246	294,824	607,070
2028-2032	242,580	364,490	607,070
2033-2037	156,450	450,620	607,070
2038-2042	50,465	499,187	549,652
	\$ 1,130,338	\$ 1,847,594	\$ 2,977,932

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

<u>Year Ending December 31,</u>	Interest Payments	Principal Payments	Total
2018	\$ 5,183	\$ 27,997	\$ 33,180
2019	4,215	28,965	33,180
2020	3,215	29,965	33,180
2021	2,179	31,001	33,180
2022	1,108	32,072	33,180
	\$ 15,900	\$ 150,000	\$ 165,900

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NOTE 5 – DEBT REFUNDINGS

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

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

NOTE 6 – PENSION PLAN

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

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

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

Eligibility Requirements:

All St. Landry Parish Communications District employees 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.

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NOTE 6 – PENSION PLAN (continued)

Retirement Benefits:

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

For employees hired prior to January 1, 2007:

NOTE 6 – PENSION PLAN (continued)

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

For employees hired after January 1, 2007:

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

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

Survivor Benefits:

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

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

Deferred Retirement Option Plan:

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

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

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NOTE 6 – PENSION PLAN (continued)

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

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

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

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

Disability Benefits:

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

Cost of Living Increases:

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

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NOTE 6 – PENSION PLAN (continued)

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

Employer Contributions:

According to state statute, contributions for all employers are actuarially determined each year. Covered employees were required by state statute to contribute 9.5% of their salary to the plan. The Commission was required by the same statute to contribute 12.5%. The Commission's contributions paid to PERS for the year ended June 30, 2017 was \$56,161.

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

Non-employer contributions:

MPERS also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue during the year ended December 31, 2017. This amount totaled \$6,191.

At December 31, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for its participation in PERS:

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NOTE 6 – PENSION PLAN (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (30,203)
Changes in assumption	32,769	-
Net difference between projected and actual earnings on pension plan investments	133,944	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	(11,276)	(241)
Employer contributions subsequent to measurement date	56,171	-
Total	\$ 211,608	\$ (30,444)

Deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date for PERS and the net difference between projected and actual earnings on pension plan investments of \$211,608, will be recognized as a reduction of the net pension liability during the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

Year Ended December 31:	PERS
2017	\$ 46,631
2018	50,200
2019	31,787
2020	(5,799)
Total	\$ 122,819

Actuarial Methods and Assumptions:

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

The components of the net pension liability of the System's employers as of December 31, 2016, are as follows:

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NOTE 6 – PENSION PLAN (continued)

	2017 Plan A	2016 Plan A
Total Pension Liability	\$ 2,949,861	\$ 2,894,250
Plan Fiduciary Net Position	(2,777,261)	(2,669,371)
Total Net Pension Liability	\$ 172,600	\$ 224,879
Proportionate Share of Net Pension Liability	0.085431%	0.085431%
Change in Proportion	0.0024509%	0.0024509%

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2016, are as follows:

Valuation date	December 31, 2016
Actuarial cost method	Plan A - Entry Age Normal
Expected remaining service lives	4 years
Investment rate of return	7%, net of investment expense, including inflation
Projected salary increases	Plan A - 5.25%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.
Mortality	RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Tables were selected for annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.

The discount rate used to measure the total pension liability was 7.00% 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

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NOTE 6 – PENSION PLAN (continued)

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

Change in Assumptions:

Amounts reported in fiscal year ended December 31, 2016 for Parochial Employees' Retirement System reflect an adjustment in the discount rate used to measure the total pension liability. The discount rate for the System was reduced by 0.25% to 7.00% as of the valuation date December 31, 2015. Other changes are as follows:

Valuation Date	December 31, 2015	December 31, 2016
Inflation Rate	2.50%	2.5%
Project Salary Increases	5.25% (2.50% Inflation,	5.25%

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.66% for the year ended December 31, 2016.

Best estimates of arithmetic real rates of return for each major asset class included in the System’s target asset allocation as of December 31, 2016 are summarized in the following table:

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NOTE 6 – PENSION PLAN (continued)

Asset Class	Target Asset Allocation	Long-term Expected Portfolio Real Rate of Return
Fixed Income	35%	1.24%
Equity	52%	3.63%
Alternative Investments	11%	0.67%
Real Assets	2%	0.12%
Total	100%	5.66%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.66%

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

Sensitivity to Changes in Discount Rate:

The following presents the net pension liability of the participating employers calculated using the discount rate of 7.00%, as well as what the employers’ net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.00% or one percentage point higher 8.00% than the current rate.

	Changes in Discount Rate		
	Plan A		
	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability (Asset)	\$ 516,315	\$ 172,600	\$ (118,022)

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NOTE 6 – PENSION PLAN (continued)

Retirement System Audit Report:

Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2016. Access to the audit report can be found on the System's website: [www.persla.org](http://www.persla.org) or on the Office of Louisiana Legislative Auditor's official website: [www.lla.state.la.us](http://www.lla.state.la.us).

NOTE 7 – LEASE COMMITMENTS

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

NOTE 8 – RESTRICTED FUND BALANCE

This represents amounts restricted per bond agreement with USDA.

NOTE 9 – BOARD MEMBERS

Board Members of the St. Landry Parish Communications District are as follows for 2017:

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

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

NOTE 10 – SUBSEQUENT EVENTS

Subsequent events were evaluated through May 10, 2018, which is the date the financial statements were available to be issued, for events requiring recording or disclosure in the organization's financial statements. As of May 10, 2018, there were no subsequent events noted.

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DECEMBER 31, 2017

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

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

NOTE 12 – FUND BALANCE CONSTRAINTS

The following is a summary of the fund balances of the District for the year ended December 31, 2017:

<u>General Fund</u>	
Restricted	
Reserved for debt service	\$ 96,388
Committed	
Maintenance of ANI/ALI equipment	200,000
Unassigned	<u>436,707</u>
Total General Fund balance	<u><u>\$ 733,095</u></u>

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE

ST. LANDRY PARISH COMMUNICATIONS DISTRICT  
OPELOUSAS, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Charges for services				
Private sign reimbursements	\$ -	\$ 48	\$ 48	\$ -
Wireless telephone fees (including prepaid)	875,000	950,000	973,241	23,241
Records request income	-	167	167	-
Tower rental income	4,800	3,600	4,800	1,200
Land line telephone fees	284,000	285,000	284,420	(580)
Interest income	700	890	943	53
Miscellaneous	-	-	23,345	23,345
Total Revenues	<u>1,164,500</u>	<u>1,239,705</u>	<u>1,286,964</u>	<u>47,259</u>
Expenditures:				
Current				
Salaries	620,000	520,000	513,287	6,713
Payroll taxes	10,000	11,500	10,966	534
Retirement	68,000	60,000	56,161	3,839
Auto repair/maintenance	3,000	1,000	833	167
Auto fuel	3,000	2,250	1,950	300
Telephone - line expense	3,000	3,300	3,283	17
Telephone - cellular	3,550	3,850	3,778	72
Telephone - office	42,900	37,880	37,490	390
Education	1,000	400	400	-
Dues and subscriptions	750	377	784	(407)
Utilities	25,500	26,500	27,154	(654)
Professional fees	5,500	5,124	5,124	-
Insurance -				
Employees health	100,000	90,384	89,911	473
Workmen's compensation	4,000	3,950	3,950	-
Automobile	2,500	2,592	2,524	68
General liability	18,000	18,869	18,365	504
Management liability	5,000	5,376	5,127	249
Surety bonds	300	294	294	-
Life insurance - employees	1,000	850	822	28
Office supplies	4,000	2,500	2,691	(191)
Postage	200	150	147	3
Office repairs/maintenance	10,000	7,000	7,063	(63)
Bank service charges	-	66	66	-
Housekeeping supplies	1,500	1,300	1,654	(354)
Personnel uniforms	1,000	-	-	-

See notes to required supplementary information.

ST. LANDRY PARISH COMMUNICATIONS DISTRICT  
 OPELOUSAS, LOUISIANA  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2017

Maintenance agreements	\$ 25,000	\$ 20,000	\$ 19,705	\$ 295
Tower maintenance expense	2,000	23,618	23,618	-
Addressing supplies	500	23	46	(23)
Travel expense	1,000	1,273	1,273	-
Radio system maintenance and improvements	5,000	3,000	1,555	1,445
Miscellaneous	500	499	892	(393)
Debt service (principal, interest and fees)	121,414	121,414	121,399	15
Capital outlay	39,000	50,354	150,000	(99,646)
Total Expenditures	<u>1,128,114</u>	<u>1,025,693</u>	<u>1,112,312</u>	<u>(86,619)</u>
Excess of revenues over (under) expenditures	<u>36,386</u>	<u>214,012</u>	<u>174,652</u>	<u>133,878</u>
Other Financing Sources:				
Lease proceeds	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>150,000</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>150,000</u>
Net change in fund balance	<u>\$ 36,386</u>	<u>\$ 214,012</u>	324,652	<u>\$ 110,640</u>
Fund balance, beginning			<u>408,443</u>	
Fund balance, ending			<u>\$ 733,095</u>	

See notes to required supplementary information.

ST. LANDRY PARISH COMMUNICATIONS DISTRICT  
 OPELOUSAS, LOUISIANA  
 SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
 DECEMBER 31, 2017

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

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

ST. LANDRY PARISH COMMUNICATIONS DISTRICT  
 OPELOUSAS, LOUISIANA  
 SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTION  
 DECEMBER 31, 2017

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

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

ST. LANDRY PARISH COMMUNICATIONS DISTRICT  
 OPELOUSAS, LOUISIANA  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
 DECEMBER 31, 2017

NOTE 1 – BASIS OF ACCOUNTING

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

NOTE 2 – BUDGETARY PRACTICES

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

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

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess of Expenditures over Appropriations. The following individual fund had actual expenditures in excess of appropriations for the year ended December 31, 2017:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Excess</u>
General Fund	<u>\$ 1,128,114</u>	<u>\$ 1,025,693</u>	<u>\$ 1,112,312</u>	<u>\$ (86,619)</u>

NOTE 4 – PENSION PLANS

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

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of the St. Landry Parish Communications District, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the St. Landry Parish Communications District's basic financial statements, and have issued our report thereon dated May 10, 2018.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses, as item #2017-001 that we consider to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the St. Landry Parish Communications District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item #2017-001.

### **St. Landry Parish Communications District's Response to Findings**

St. Landry Parish Communications District's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. St. Landry Parish Communications District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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



Vige, Tujague & Noël, CPA's

Eunice, Louisiana

May 10, 2018

ST. LANDRY PARISH COMMUNICATIONS DISTRICT  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2017

We have audited the financial statements of St. Landry Parish Communications District as of and for the year ended December 31, 2017 and have issued our report dated May 10, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2017 resulted in an unmodified opinion.

**Section I Summary of Auditors' Reports**

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

Internal Control

Material Weaknesses \_\_ Yes X No

Significant Deficiencies X Yes \_\_ None reported

Compliance

Compliance Material to Financial Statements \_\_ Yes X No

No separate management letter was issued.

**Section II Financial Statement Findings**

2017-001 Budget

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

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

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

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

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

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

ST. LANDRY PARISH COMMUNICATIONS DISTRICT  
SCHEDULE OF FINDINGS AND RESPONSES (Continued)  
YEAR ENDED DECEMBER 31, 2017

**Section III Internal Control and Compliance Material to Federal Awards**

There were no federal awards for the year ended December 31, 2017.

ST. LANDRY PARISH COMMUNICATIONS DISTRICT  
SCHEDULE OF PRIOR YEAR FINDINGS  
YEAR ENDED DECEMBER 31, 2017

**I Internal Control and Compliance Material to the Financial Statements**

None.

**II Internal Control and Compliance Material to Federal Awards**

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

**III Management Letter**

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

ST. LANDRY PARISH COMMUNICATIONS DISTRICT  
OPELOUSAS, LOUISIANA  
SCHEDULE OF INSURANCE IN FORCE (UNAUDITED)  
DECEMBER 31, 2017

Insurer	Coverage	Risk Covered	Coverage Limits	Co-Insurance	Policy Period	
					From	To
LA Parish Government Risk Management	Worker's Compensation	Employees	\$ 1,000,000	None	1/1/2017	1/1/2018
American Alternative Insurance Group	General Liability	General Aggregate	\$ 2,000,000	None	7/7/2017	7/7/2018
		Products	\$ 2,000,000			
		Personal and Advertising Injury	\$ 1,000,000			
		Each Occurrence	\$ 1,000,000			
		Medical Expense	\$ 5,000			
		Public Employee Dishonesty				
		1 Executive Director	\$ 122,000			
		1 Executive Secretary	\$ 122,000			
		1 Addressing Supervisor	\$ 122,000			
		3 Board Members	\$ 122,000			
		Management Liability				
		Each Wrongful Act or Offense	\$ 1,000,000			
		Each Act for Injunctive Relief	\$ 50,000			
		Aggregate Limit	\$ 2,000,000			
		Excess				
		Each Occurrence Limit	\$ 2,000,000			
		Products	\$ 4,000,000			
Aggregate	\$ 4,000,000					
	Property/Inland Marine	Building	\$ 2,935,596	None	7/7/2017	7/7/2018
		Personal Property	\$ 978,857			
		Tower/Equipment	\$ 289,891			
		Auto - Uninsured Motorist	\$ 1,000,000			
		Auto - Liability Limits	\$ 1,000,000			
		Auto - Underinsured Motorist	\$ 1,000,000			

ST. LANDRY PARISH COMMUNICATIONS DISTRICT  
 OPELOUSAS, LOUISIANA  
 SCHEDULE OF BOARD MEMBERS  
 DECEMBER 31, 2017

<u>Name/Title</u>	<u>Address/Telephone</u>	<u>Term</u>
Charles Watson Chairman	P.O. Box 158 Krotz Springs, Louisiana 70750 (337) 566-3600	1/4/2021
Lloyd Ardoin Vice Chairman	299 Hanger Road Opelousas, Louisiana 70570 (337) 407-1551	1/4/2018
Cindy Stelly Sgt at Arms	P.O. Box 404 Krotz Springs, Louisiana 70750 (337) 308-0314	1/4/2020
Richard Daigle	300 S 2nd Street Eunice, Louisiana 70535 (337) 457-2626	1/4/2020
Mark Guidry	P.O. Box 1757 Opelousas, Louisiana 70571 (337) 948-2513	1/4/2021
Marshall Moreau	P.O. Box 1029 Opelousas, Louisiana 70571 (337) 948-6516	1/4/2022
Bobby Degueyter	P.O. Box 145 Leonville, Louisiana 70551 (337) 879-0035	1/4/2021
Russell Schexnaider	P.O. Drawer 1550 Opelousas, Louisiana 70571 (337) 407-1551	1/4/2022

ST. LANDRY PARISH COMMUNICATIONS DISTRICT  
OPELOUSAS, LOUISIANA  
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS  
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER  
DECEMBER 31, 2017

**Agency Head Name:** Jude Moreau, Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 76,419
Benefits-insurance	8,739
Benefits-retirement	9,552

ST. LANDRY PARISH COMMUNICATIONS DISTRICT  
OPELOUSAS, LOUISIANA  
CORRECTIVE ACTION PLAN  
DECEMBER 31, 2017

**Section I. Internal Control and Compliance Material to the Financial Statements**

2017-001 Budget

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

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

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

**Section II. Internal Control and Compliance Material to Federal Awards**

The District did not receive any federal awards in the current year.

**Section III. Management Letter**

This year's report did not include a management letter.

Responsible Party:

A handwritten signature in cursive script, reading "Jude A. Moran", is written over a horizontal line.

ST. LANDRY PARISH  
COMMUNICATIONS DISTRICT  
STATEWIDE AGREED-UPON PROCEDURES REPORT  
YEAR ENDED DECEMBER 31, 2017



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INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by St. Landry Parish Communications District and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. The St. Landry Parish Communications District's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

***Written Policies and Procedures***

---

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget  
*The entity does not have written policies and procedures addressing budgeting.*

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

*The entity does not have written policies and procedures addressing purchasing.*

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

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

- d) **Receipts**, including receiving, recording, and preparing deposits

*The entity does not have written policies and procedures addressing receipts of revenue.*

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

*The entity has written policies and procedures addressing payroll.*

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

*The entity does not have written policies and procedures addressing contracting.*

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

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

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

*The entity does not have written policies and procedures addressing travel and expense reimbursement.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

*The entity does not have written policies and procedures addressing ethics.*

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

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

***Board (or Finance Committee, if applicable)***

---

2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

*Obtained and reviewed minutes of the managing board for the fiscal period noting that the board met monthly.*

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

*Obtained and reviewed minutes of the managing board for the fiscal period noting that the minutes included monthly budget-to-actual comparisons.*

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

*There was no deficit spending noted.*

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

*Obtained and reviewed the minutes of the managing board for the fiscal period noting that non-budgetary financial information was referenced.*

***Bank Reconciliations***

---

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

*Obtained a listing of cash collection locations and management's representation that the listing is complete.*

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

*Obtained bank statements and reconciliations for all months in the fiscal period for all selected accounts noting that reconciliations have been prepared for all months.*

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

*Bank reconciliations do not include evidence that a member of management or a board member has reviewed each reconciliation.*

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

*Obtained bank statements and reconciliations for all months in the fiscal period and noted that there are no reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.*

## **Collections**

---

- 5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

*Obtained a listing of cash collection locations and management's representation that the listing is complete.*

- 6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). For each cash collection location selected:

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

*Written documentation was obtained and addresses the functions noted above; however, the person responsible for collecting cash is also responsible for recording the related transaction and reconciling the bank statement. All revenue receipts are in the form of a check and deposited by a person who is not responsible for collections.*

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

*Written documentation was obtained and addresses the functions noted above. All revenue receipts are in the form of a check and deposited by a person who is not responsible for*

*collections. However, the person collecting cash is also responsible for recording the related transaction and reconciling the bank statement.*

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

*Collection documentation was obtained and deposits are not made within one day of collection. We were unable to determine the number of days from receipt to deposit. All revenue receipts are in the form of a check. Revenues are usually received at the end of each month, within a one week time frame. Once all expected checks are received, a single deposit is made.*

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

*Cash collections are completely supported by collection documentation.*

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

*The entity does not have written policies and procedures addressing completeness of all collections; however, all revenue receipts are in the form of a check and reconciled to remittance sheets by the depositor. Also, revenues sources are consistent and received on a monthly or quarterly basis, depending on the source, and are monitored by the executive director and executive secretary.*

***Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)***

---

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

*Listing of disbursements and management's representation that the listing is complete was obtained.*

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

*Examined supporting documentation for each of the 25 disbursements selected and found that the entity does not use a purchase order system; however, all purchases are initiated by the executive director and payment is approved by the board of commissioners.*

b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

*Examined supporting documentation for each of the 25 disbursements selected and found that the entity does not use a purchase order system; however, all purchases are initiated by the executive director and payment is approved by the board of commissioners.*

c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

*Examined supporting documentation for each of the 25 disbursements and found all payments processed included an invoice/receiving report with proper approval by the board at the monthly meeting.*

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

*The entity does not have written policies and procedures addressing the functions noted above. The person responsible for processing payments can also add vendors; however, all checks must be signed by a board member.*

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

*The entity does not have written policies and procedures addressing the functions noted above. The persons with signatory authority do not have responsibility for initiating purchases.*

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority,

and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

*No exceptions noted.*

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

*No signature stamp or signature machine is utilized.*

#### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

*Listing of all active credit cards was obtained from management and management's representation that the listing is complete.*

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

*There is evidence that the monthly statement and supporting documentation was reviewed and approved by someone other than the authorized card holder.*

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

*There were no finance charges or late fees assessed on the selected statements.*

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:
- An original itemized receipt (i.e., identifies precisely what was purchased)  
*No exceptions noted.*
  - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.  
*No exceptions noted.*
  - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)  
*No exceptions noted.*
- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.  
*No exceptions noted.*
- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.  
*No exceptions noted.*

### ***Travel and Expense Reimbursement***

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17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

*Obtained a listing of all travel and related expense reimbursements from management and their representation that the listing is complete.*

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.

*The entity has no written policies related to travel and expense reimbursements. The entity uses the GSA rates.*

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

*No exceptions noted.*

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

*No exceptions noted.*

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

*No exceptions noted.*

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

*No exceptions noted.*

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

*No exceptions noted.*

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*No exceptions noted.*

## ***Contracts***

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20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

*Obtained a listing of all contracts in effect during the fiscal period and management's representation that the listing is complete.*

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

*No exceptions noted.*

b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

➤ If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

*No exceptions noted.*

➤ If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

*Not applicable.*

c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

*Not applicable.*

d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

*No exceptions noted.*

e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

*No exceptions noted.*

### ***Payroll and Personnel***

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22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

*Listing of employees with their related salaries and management's representation that the listing is complete was obtained.*

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

*No exceptions noted.*

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

*Changes made to hourly pay rates/salaries during the fiscal period were approved in writing and in accordance with written policy.*

- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

*No exceptions noted.*

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

*No exceptions noted.*

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

*No exceptions noted.*

- 24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

*There were no employee terminations during the fiscal period.*

- 25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

*Obtained supporting documentation relating to payroll taxes and retirement contributions during the fiscal period and found one late payroll tax submission, due to an error by the person responsible for reporting and payment.*

***Ethics (excluding nonprofits)***

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26. Using the five randomly selected employees/officials from procedure #22 under “Payroll and Personnel” above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

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

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management’s actions complied with the entity’s ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

*Management asserted that they have received no allegations during the fiscal year.*

***Debt Service (excluding nonprofits)***

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28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

*The entity entered into a lease purchase agreement on December 27, 2017; however, approval from the State Bond Commission was not required.*

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

*Not applicable.*

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

*Not applicable.*

***Other***

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31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

*Management has asserted that the entity did not have any misappropriation of public funds or assets.*

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at [www.la.gov/hotline](http://www.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

*Required notice was posted on the entity's premises.*

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

*No exceptions noted.*

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*Vige, Tujague & Noel*

Vige, Tujague & Noel

Eunice, Louisiana

May 10, 2018

ST. LANDRY PARISH COMMUNICATIONS DISTRICT

Management's Response to Statewide Agreed-Upon Procedures  
For the Year Ended December 31, 2017

Management Response to Item:

- 1a, 1b, 1c, 1d, 1f, 1g,  
1h, 1i, 1j                      The entity will compile a cumulative collection of policies and procedures to be adopted at a board meeting.
- 4b                                      A member of the board will initial the reconciliations to provide evidence of review.
- 6a, 6b, 7, 9a, 9b 10              Efforts will be made to segregate duties in these areas as much as possible with the limited number of employees involved.
- 6c                                      The entities primary source of revenue is received in the form of several checks from wireless, prepaid and landline telephone companies, and the Louisiana Department of Revenue. Due to the limited number of employees involved in this process, and the revenue source, it is not feasible for the entity to make deposits on a daily basis.
- 25                                      This was a single occurrence, due to an error by the person responsible for reporting and payment. Payroll taxes are generally filed in a timely manner.
- 26                                      All employees are in the process of obtaining the required ethics training and will continue to do so in the future.



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Charles Watson, Board Chairman