

**RED RIVER PARISH COMMUNICATIONS DISTRICT
COUSHATTA, LOUISIANA**

**FINANCIAL REPORT
DECEMBER 31, 2020**

Red River Parish Communications District
Financial Report
December 31, 2020

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To the Board of Directors of
Red River Parish Communications District
Coushatta, Louisiana 71019

Management is responsible for the accompanying financial statements of the governmental activities and major fund of the Red River Parish Communications District, as of and for the year ended December 31, 2020, and related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Management has omitted the management's discussion and analysis and budgetary comparison information 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.

The supplementary information contained on page 19 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. This information was subject to our compilation engagement; however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

March 16, 2021

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Red River Parish Communications District
Statement of Net Position
December 31, 2020

Current Assets:

Cash	\$415,709
Accounts Receivable	<u>27,771</u>
Total Current Assets	\$443,480

Noncurrent Assets:

Capital Assets, Net of Accumulated Depreciation	<u>158,492</u>
Total Assets	<u>\$601,972</u>

Net Position:

Net investment in capital assets	\$158,492
Unrestricted	<u>443,480</u>
Total Net Position	<u>\$601,972</u>

See accompanying notes and independent accountant's compilation report.

Red River Parish Communications District
Statement of Activities
For the Year Ended December 31, 2020

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges</u>	<u>Operating Grants</u>	<u>Revenue and Changes</u>
		<u>for</u>	<u>and</u>	<u>in Net Position</u>
		<u>Services</u>	<u>Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:				
Public Safety	<u>\$108,855</u>	<u>\$0</u>	<u>\$0</u>	<u>\$(108,855)</u>
		General Revenues:		
				\$ 161,946
				<u>0</u>
			Total Revenues	<u>\$ 161,946</u>
			Change in Net Position	\$ 53,091
			Net Position December 31, 2019	<u>548,881</u>
			Net Position December 31, 2020	<u>\$ 601,972</u>

See accompanying notes and independent accountant's compilation report.

FUND FINANCIAL STATEMENTS

Red River Parish Communications District
Balance Sheet - Governmental Fund
December 31, 2020

Assets:

Cash	\$415,709
Revenue Receivable	<u>27,771</u>
Total Assets	<u>\$443,480</u>

Fund Balance:

Unassigned	<u>\$443,480</u>
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See accompanying notes and independent accountant's compilation report.

Red River Parish Communications District
Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Position
December 31, 2020

Total Fund Balance for the Governmental Fund at December 31, 2020	\$ 443,480
Total Net Position 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 fund financial statements. Those assets consist of:	
Buildings, Improvements & Equipment	309,236
Less: Accumulated Depreciation	<u>(150,744)</u>
Total Net Position of Governmental Activities at December 31, 2020	<u>\$ 601,972</u>

See accompanying notes and independent accountant's compilation report.

Red River Parish Communications District
Statement of Revenues, Expenditures and Changes in Fund Balance-
Governmental Fund
For the Year Ended December 31, 2020

REVENUES:

Taxes	\$161,946
Interest & Dividends	<u>0</u>
Total Revenues	<u>\$161,946</u>

EXPENDITURES:

Current-

Public Safety-	
Accounting	\$ 3,838
Professional	31,933
E911 Trunk Lines	3,735
Payroll Expense	1,136
Supplies	2,837
Telephone & Internet	7,414
Technology & Software	4,450
Repairs & Maintenance	10,200
Training/Travel	875
Capital Expenditures	<u>104,679</u>
Total Expenditures	<u>\$171,097</u>

Deficiency of Revenues over Expenditures	\$ (9,151)
Fund Balance- Beginning of Period	<u>452,631</u>
Fund Balance-End of Period	<u>\$443,480</u>

See accompanying notes and independent accountant's compilation report.

Red River Parish Communications District
 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, 2020

Total Net Change in Fund Balance at December 31, 2020, per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ (9,151)
The following used in Governmental Activities are not current financial resources; and, therefore, are not reported in the Governmental Fund Balance Sheet-	
Capital Assets Purchased 104,679	
Depreciation Expense	(23,550)
Loss on Disposal/Replacement of Capital Assets	<u>(18,887)</u>
Total Changes in Net Position at December 31, 2020, per Statement of Activities	<u>\$ 53,091</u>

See accompanying notes and independent accountant's compilation report.

NOTES TO FINANCIAL STATEMENTS

Red River Parish Communications District
Notes to Financial Statements
December 31, 2020

Introduction:

The Red River Parish Communications District (District) was created on September 14, 2006, by Ordinance 05-2006 of the Red River Police Jury. The District is charged with forming and operating an emergency response system for Red River Parish to be operated as a “911” system. The District is governed by a board of seven commissioners appointed by the Police Jury.

1. Summary of Significant Accounting Policies:

A. Reporting Entity-

Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by Statement No. 61, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Although the District is a legally separate entity possessing the right to levy taxes, approve its own budget and issue debt, under provisions of this Statement, the District is considered a *component unit* of the Red River Police Jury, the *primary government*, since a level of control is maintained by the Red River Police Jury through appointment of the District’s Board and through fiscal interdependency.

B. Basis of Presentation-

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting government. Governmental activities generally are financed through charges for services, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District’s governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The District maintains only one fund. It is categorized as a governmental fund. A fund is considered major if it is the primary operating fund of the entity.

Red River Parish Communications District
Notes to Financial Statements
December 31, 2020

The major fund of the District is described below:

Governmental Fund-

General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

C. Measurement Focus/Basis of Accounting-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the District as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues "available" if collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

D. Assets, Liabilities, and Equity-

Cash and Cash Equivalents-

For purposes of the Statement of Net Position, cash and cash equivalents includes cash on hand and all demand deposits with banks or financial institutions. Cash and cash equivalents also include all short term, highly liquid investments of the District.

Red River Parish Communications District
Notes to Financial Statements
December 31, 2020

Capital Assets-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are reported at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of useful lives by type of asset is as follows:

Buildings & Improvements	10-40 years
Furniture & Equipment	5-10 years

Compensated Absences-

The District does not have any full-time employees; therefore, no liability for compensated absences has been recorded in the accompanying financial statements.

Equity Classifications-

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

- a. Net Investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net position - All other net resources that do not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for the purposes for which both restricted and unrestricted net position are available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expenses.

Red River Parish Communications District
Notes to Financial Statements
December 31, 2020

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

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The General Fund has an unassigned fund balance of \$443,480. If applicable, the District would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

E. Budget-

Prior to the beginning of each fiscal year, the District adopts a budget for the next fiscal year. The budget is prepared on the full accrual basis of accounting. The District amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted expenditures by five percent or more. All budgetary appropriations lapse at the end of the fiscal year.

F. 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.

G. Long-term Liabilities-

The District had no long-term debt as of December 31, 2020.

Red River Parish Communications District
Notes to Financial Statements
December 31, 2020

2. Cash and Cash Equivalents:

The cash and cash equivalents of the District are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by District that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the District's name.

At December 31, 2020, bank balances totaled \$435,741, which is fully secured by FDIC Insurance and pledged securities.

3. Capital Assets:

The District's capital asset balances and activity for the year ended December 31, 2020, is as follows:

<u>Activities</u>	<u>Balance</u> <u>12/31/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/20</u>
Capital Assets Depreciated:				
Buildings & Improvements	\$ 47,351	\$ 0	\$ 0	\$ 47,351
Furniture & Equipment	<u>509,825</u>	<u>104,679</u>	<u>(352,619)</u>	<u>261,885</u>
Total Capital Assets	\$ 557,176	\$104,679	\$(352,619)	\$ 309,236
Less, Accumulated Depreciation:	<u>(460,926)</u>	<u>(23,550)</u>	<u>333,732</u>	<u>(150,744)</u>
Net Capital Assets	\$ <u>96,250</u>	\$ <u>81,129</u>	\$ <u>(18,887)</u>	\$ <u>158,492</u>

Depreciation expense of \$23,550 was charged to the public safety function.

4. Compensation Paid to Board Members:

The members of the Board of Commissioners of the District receive no compensation for their services. As of December 31, 2020, the members of the Board were as follows:

Cindy Coffey- Secretary/Treasurer
Jessie Davis- Vice Chairman
Glen Edwards
Shane Felts
Tom Jones
Joe Taylor
John Youngblood- Chairman

Red River Parish Communications District
Notes to Financial Statements
December 31, 2020

5. Related Party Transactions:

No procedures were performed to search for related party transactions.

6. Subsequent Events:

No procedures were performed to search for subsequent events.

REQUIRED SUPPLEMENTARY INFORMATION

Red River Parish Communications District
Schedule of Compensation, Benefits and Other Payments to the Chairman
December 31, 2020

Chairman: John Youngblood

<u>Type of Payment</u>	<u>Amount</u>
Reimbursements	\$0

See independent accountant's compilation report.