

Beauregard Parish Communications District  
Beauregard Parish Police Jury  
State of Louisiana

Annual Financial Statements  
With Independent Auditor's Report

December 31, 2020

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## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Commissioners  
Beauregard Parish Communications District  
Parish of Beauregard  
State of Louisiana

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

We have audited the accompanying financial statements of the governmental activities and the major fund of Beauregard Parish Communications District, a component unit of the Beauregard Parish Police Jury, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### **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 and the major fund of Beauregard Parish Communications District as of December 31, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information, the schedule of the District's proportionate share of the net pension liability and the schedule of the District's pension contribution on pages 23 through 27 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 the 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

### Other Information

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

The schedule of compensation, benefits and other payments to agency head is the responsibility of management and was derived from 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits and other payments to agency head is fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2021, on our consideration of Beauregard 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 Beauregard Parish Communications District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Jermol Windham, CPA". The signature is written in a cursive style.

DeRidder, Louisiana  
August 25, 2021

## BASIC FINANCIAL STATEMENTS

Statement of Net Position  
December 31, 2020

ASSETS	Governmental Activities
Cash and cash equivalents	\$ 1,180,786
Receivables:	
Accounts	81,794
Capital assets, net	611,365
Total assets	\$ 1,873,945
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	\$ 47,944
Prepaid insurance	7,227
Total deferred outflows of resources	\$ 55,171
Total assets and deferred outflows of resources	\$ 1,929,116
LIABILITIES	
Accounts payable	\$ 3,836
Payroll benefits payable	3,739
Retirement payable	12,234
Salaries payable	7,291
Long-term debt:	
Due in more than one year	38,081
Total liabilities	\$ 65,181
DEFERRED INFLOWS OF RESOURCES	
Pensions	\$ 59,284
Total liabilities and deferred inflows of resources	\$ 124,465
NET POSITION	
Net investment in capital assets	\$ 611,365
Unrestricted	1,193,286
Total net position	\$ 1,804,651
Total liabilities, deferred inflows of resources and net position	\$ 1,929,116

The accompanying notes are an integral part of this statement.

Statement of Activities  
For the Year Ended December 31, 2020

Program Activities	Expenses	Program Revenues	Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Governmental Activities
Governmental activities:			
General government	\$ 512,123	\$ 643,513	\$ 131,390
General revenues:			
Investment earnings			\$ 8,397
Nonemployer pension revenue			2,185
Total general revenues			10,582
Change in net position			141,972
Net position at beginning of year			1,662,679
Net position at end of year			\$ 1,804,651

The accompanying notes are an integral part of this statement.



Balance Sheet  
 Governmental Funds  
 December 31, 2020

	<u>Major Fund</u>
	<u>General Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,180,786
Receivables:	
Accounts	<u>81,794</u>
Total assets	<u>\$ 1,262,580</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Prepaid insurance	<u>\$ 7,227</u>
Total assets and deferred outflows of resources	<u><u>\$ 1,269,807</u></u>
<b>LIABILITIES</b>	
Liabilities:	
Accounts payable	\$ 3,836
Payroll benefits payable	3,739
Retirement payable	12,234
Salaries payable	<u>7,291</u>
Total liabilities	<u>\$ 27,100</u>
<b>FUND BALANCES</b>	
Fund Balances:	
Committed	\$ 100,000
Nonspendable	
Not in spendable form	7,227
Unassigned	<u>1,135,480</u>
Total fund balance	<u>\$ 1,242,707</u>
Total liabilities and fund balances	<u><u>\$ 1,269,807</u></u>

The accompanying notes are an integral part of this statement.

Reconciliation of the Governmental Funds Balance Sheet  
to Statement of Net Position  
December 31, 2020

Total fund balance - total governmental funds		\$ 1,242,707
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheets.		611,365
Pension-related changes in net pension liability (asset) that are only reported in the Statement of Net Position as deferred outflows		47,944
Pension-related changes in net pension liability (asset) that are only reported in the Statement of Net Position as deferred inflows		(59,284)
Net pension liability (asset) and compensated absences payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Due within one year	\$ -	
Due in more than one year	<u>(38,081)</u>	<u>(38,081)</u>
Net position of governmental activities		<u><u>\$ 1,804,651</u></u>

The accompanying notes are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended December 31, 2020

	<u>Major Fund</u>
	<u>General Fund</u>
Revenues	
Charges for services:	
E911 service charges	\$ 625,513
Dispatch cost share	18,000
Investment income	<u>8,397</u>
Total revenues	<u>\$ 651,910</u>
Expenditures	
Personal services and related benefits	\$ 337,100
Supplies and materials	8,184
Operating services	36,312
Contracted services	77,223
Capital outlay	<u>2,313</u>
Total expenditures	<u>\$ 461,132</u>
Net change in fund balance	\$ 190,778
Fund balances at beginning of year	<u>1,051,929</u>
Fund balances at end of year	<u><u>\$ 1,242,707</u></u>

The accompanying notes are an integral part of this statement.

Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental  
Funds to the Statement of Activities  
For the Year Ended December 31, 2020

Net change in fund balances - total governmental funds	\$	190,778
Amounts reported for governmental activities in the statement of activities are different because:		
Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		(857)
Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.		2,313
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.		(54,525)
Pension expense is based on employer contributions in the governmental funds, but is an actuarially calculated expense on the Statement of Activities.		<u>4,263</u>
Change in net position of governmental activities	\$	<u><u>141,972</u></u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

Beauregard Parish Communications District

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2020

**INTRODUCTION**

The Beauregard Parish Communications District was created by, the Beauregard Parish Police Jury, State of Louisiana in accordance with the authority of Title 33, Chapter 31, Section 9101-9106 of the Louisiana Revised Statutes. The District provides an enhanced emergency 911 service as authorized pursuant to the applicable provisions of Title 33, Chapter 31 of the Louisiana Revised Statutes. A board of seven commissioners appointed by the Beauregard Parish Police Jury, State of Louisiana, governs the District and are not compensated for their services. Two employees handle the administrative and clerical duties of the District and six other employees are dispatchers. The accounting policies of the District conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide, *Audits of State and Local Government Units*.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Beauregard Parish Communications District is considered a component unit of the Beauregard Parish Police Jury. As a component unit, the accompanying financial statements are included within the reporting of the primary government, whether blended into those financial statements or separately reported as discrete component units.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement activities) report information on all of the nonfiduciary activities of the Beauregard Parish Communications District. 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 services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the funds financial statements.

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the

Beauregard Parish Communications District

Notes to the Financial Statements (Continued)

government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Beauregard Parish Communications District reports the following major governmental fund:

The General Fund is the District's primary operating fund. It accounts for all financial resources, except for those in another fund.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the entity's policy to use restricted resources first, and then unrestricted resources, as they are needed.

The District has not established a policy for use of its unrestricted fund balance, therefore it considers committed fund balances to be used first, then assigned fund balances to be used next and finally the unassigned fund balance will be used.

**C. Deposits and Investments**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the District to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities. The District is exposed to custodial credit risk (bank balances not covered by depository insurance) but has no policy addressing this risk.

**D. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**E. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 or more for capitalizing capital assets.

According to GASB 34 Beauregard Parish Communications District was not required to retroactively report infrastructure assets in its financial statements, therefore, these assets have not been reported in the financial statements.

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

Beauregard Parish Communications District

Notes to the Financial Statements (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Improvements	20-40 years
Buildings	40-50 years
Furniture and fixtures	5-15 years
Vehicles	5-20 years
Machinery and equipment	5-20 years

**F. Compensated Absences**

The Beauregard Parish Communications District has the following policy relating to vacation and sick leave.

**Sick Leave**

- A. Eligibility for Sick Leave: Permanent, annual, full-time status employees shall earn sick leave. Temporary, part-time and emergency employees shall not earn sick leave.
- B. Earning Sick Leave: Each employee in the Beauregard Parish Communications District will be allotted four hours of sick leave per pay period worked. This amounts to thirteen days per calendar year, with all employees receiving equal time no matter the length of employment. Sick leave may be accumulated and accrued, not to exceed sixty days. Accumulated time, not to exceed sixty days, will carry forward until retirement. At that time, the retiree will have the option to choose to let sick leave accumulated go toward added time to retirement, or be paid sick leave as a lump sum.
- C. Upon retirement or termination by reduction in force by the Beauregard Parish Communications District, an employee will receive full pay for accumulated sick leave not to exceed the sixty-day limit. No pay will ever be received for sick leave if an employee quits or is terminated by process of termination for reason.

**Annual Leave (Vacation Time)**

- A. Annual leave may be earned by permanent, salaried, full-time employees of the Beauregard Parish Communications District. Personnel annual leave may be used as deemed necessary for business, vacations, etc. All leave must be approved in advance by the employee's supervisor before time is taken.
- B. An employee will be allowed to let his/her leave time build up to a maximum of twenty days. This time can be carried over to the new year. Upon termination or retirement, an employee will be paid a lump sum for all annual accrued time accumulated, not to exceed twenty days or one hundred sixty hours.

**G. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net position. Bonds payable are reported net of the applicable bond premium or discount.

The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.



**H. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**I. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the District, which are either unusual in nature or infrequent in occurrence.

**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 and expenditures during the reporting period. Actual results could differ from those estimates.

**K. Fund Balances**

Committed	Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts. The Beauregard Parish Communications District has committed \$100,000 to be used as an emergency fund if needed.
Unassigned	Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.
Nonspendable	The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

**L. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Parochial Employee's Retirement System of Louisiana (PERS) and additions to/deductions from PERS's fiduciary net positions have been determined on the same basis as they are reported by PERS. The financial statements were prepared using the accrual basis of accounting. Member and employer contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefits and refunds of employee contributions are recognized when due and payable in accordance with the statutes governing PERS. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value on a trade date basis. The fiduciary net position is reflected in the measurement of the Communications District's proportionate share of the plans net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense.

Beauregard Parish Communications District  
Notes to the Financial Statements (Continued)

**M. Deferred Outflows/Inflows of Resources**

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

*BUDGET INFORMATION* The District uses the following budget practices:

1. The director prepares a proposed budget and submits same to the Board of Commissioners no later than fifteen days prior to the beginning of each fiscal year.
2. The budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
3. Budgetary amendments involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Commissioners.
4. All budgetary appropriations lapse at the end of each fiscal year
5. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or amended from time to time by the Board of Commissioners. Such amendments were not material in relation to the original appropriations.

**3. CASH AND CASH EQUIVALENTS**

At December 31, 2020, the District has cash and cash equivalents (book balances) totaling \$1,180,786 as follows:

Time deposits	\$ 742,516
NOW accounts	438,170
Petty cash	100
Total	<u>\$ 1,180,786</u>

The cash and cash equivalents of the Beauregard Parish Communications 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 government will not be able to recover its deposits. Under state law, the 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 the 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, the District has \$1,168,027 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$918,027 of pledged securities held by an unaffiliated bank of the pledgor bank. These pledged securities are deemed by law to be under the control and possession and in the name of the District and are therefore properly collateralized.

Beauregard Parish Communications District  
Notes to the Financial Statements (Continued)

**4. RECEIVABLES**

The receivables of \$81,794 at December 31, 2020, are as follows:

Class of receivable	General Fund
Accounts	\$ 81,794

**5. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2020, for the District is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental activities:				
Capital assets being depreciated				
Buildings	\$ 573,554	\$ -	\$ -	\$ 573,554
Improvements	49,558	-	-	49,558
Machinery and equipment	764,497	2,313	-	766,810
Furniture and fixtures	48,716	-	-	48,716
Vehicles	26,805	-	-	26,805
Total capital assets being depreciated	\$ 1,463,130	\$ 2,313	\$ -	\$ 1,465,443
Less accumulated depreciation for:				
Buildings	\$ 212,398	\$ 14,445	\$ -	\$ 226,843
Improvements	21,155	3,936	-	25,091
Machinery and equipment	497,952	34,569	-	532,521
Furniture and fixtures	41,243	1,575	-	42,818
Vehicles	26,805	-	-	26,805
Total accumulated depreciation	\$ 799,553	\$ 54,525	\$ -	\$ 854,078
Total capital assets being depreciated, net	\$ 663,577	\$ (52,212)	\$ -	\$ 611,365

Depreciation expense of \$54,525 for the year ended December 31, 2020, was charged to the following governmental functions:

General government	\$ 54,525
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**6. ACCOUNTS, SALARIES, AND OTHER PAYABLES**

The payables of \$27,100 at December 31, 2020, are as follows:

	General Fund
Payroll benefits	\$ 3,739
Retirement	12,234
Accounts	3,836
Salaries	7,291
Total	\$ 27,100

**7. PENSION PLAN**

*Plan Description.* Substantially all employees of the Beauregard Parish Communications District are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the District are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to 1% of final average salary plus \$24 for each year of supplemental plan-only service earned before January 1, 1980. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

*Funding Policy.* Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 12.25% of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. The tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the District are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District's contributions to the System under Plan A for the years ending December 31, 2020, 2019, and 2018 were \$27,418, \$19,691, and \$17,779 respectively, equal to the required contributions for each year.

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

At December 31, 2020, the District reported a liability of \$1,271 for its proportionate share of net pension liability. The net pension liability was measured as of December 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating districts, actuarially determined. At December 31, 2020 the District's proportion was .027004%, which was an increase of .001856% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2020, the District recognized pension expense of \$25,340. At December 31, 2020, the District recognized deferred outflows of resources and deferred inflows of resources related to pension from the following:

Beauregard Parish Communications District  
Notes to the Financial Statements (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 11,380
Changes of assumptions	17,754	-
Net difference between projected and actual earnings on pension plan investments	-	47,651
Changes in proportion and differences between District contributions and proportionate share of contributions	2,772	253
Employer contributions subsequent to the measurement date	27,418	-
Total	\$ 47,944	\$ 59,284

The \$27,418 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or an increase of the net pension asset in the year ended December 31, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:		
2020	\$	(8,353)
2021		(10,864)
2022		1,910
2023		(21,451)
Total	\$	(38,758)

*Actuarial Methods and Assumptions*

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

Valuation Date	December 31, 2019
Actuarial Cost Method	Plan A – Entry Age Normal
Investment Rate of Return	6.50% Net of investment expense, including inflation
Estimated Remaining Service Lives	4 years
Projected Salary Increases	Plan A – 4.75%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males 125% for

Beauregard Parish Communications District

Notes to the Financial Statements (Continued)

females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.

Inflation Rate 2.40%

The discount rate used to measure the total pension liability (asset) was 6.50% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset 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 7.18% for the year ending December 31, 2019.

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, 2019 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed income	35.00%	1.05%
Equity	52.00%	3.41%
Alternatives	11.00%	0.61%
Real assets	2.00%	0.11%
Totals	100.00%	5.18%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.18%

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

Beauregard Parish Communications District

Notes to the Financial Statements (Concluded)

*Sensitivity to Changes in Discount Rate*

The following presents the net pension liability of the participating District as of December 31, 2019 calculated using the discount rate of 6.50%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.50%, or one percentage point higher 7.50% than the current rate:

	Changes in Discount Rate:		
	1.00% Decrease 5.50%	Current Discount Rate 6.50%	1.00% Increase 7.50%
Net Pension Liability	\$ 137,393	\$ 1,271	\$ (112,797)

**8. REPORTING REQUIREMENTS FOR WIRELESS E911 SERVICE**

In accordance with LRS (R.S.) 33:9101 through 9131 the E911 District reports the following required information:

- Total emergency telephone service charges collected for the year were \$643,513.
- There were no expenditures made for implementation of the wireless E911 system for the year.
- Status of the implementation of the wireless E911 system – Phase I and II has been completed as of December 31, 2020.

**9. LONG-TERM OBLIGATIONS**

The following is a summary of the long-term obligation transactions for the year ended December 31, 2020:

	Compensated Absences	Net Pension Liability	Total
Long-term obligations at beginning of year	\$ 35,953	\$ 111,616	\$ 147,569
Additions	9,384	-	9,384
Deductions	-	(110,345)	(110,345)
Compensated absences used	(8,527)	-	(8,527)
Long-term obligations at end of year	\$ 36,810	\$ 1,271	\$ 38,081

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of December 31, 2020:

	Compensated Absences	Net Pension Liability (Asset)	Total
Current portion	\$ -	\$ -	\$ -
Long-term portion	36,810	1,271	38,081
Total	\$ 36,810	\$ 1,271	\$ 38,081

REQUIRED SUPPLEMENTAL INFORMATION



General Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual  
 For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amount Budgetary Basis	Budget to Actual differences over (under)
	Original	Final		
<b>Revenues</b>				
Charges for services:				
E911 service charges	\$ 691,000	\$ 625,515	\$ 625,513	\$ (2)
Dispatch cost share	18,000	18,000	18,000	-
Investment income	2,220	8,395	8,397	2
Miscellaneous	100	-	-	-
<b>Total revenues</b>	<b>\$ 711,320</b>	<b>\$ 651,910</b>	<b>\$ 651,910</b>	<b>\$ -</b>
<b>Expenditures</b>				
Personal services and related benefits	\$ 322,658	\$ 337,100	\$ 337,100	\$ -
Supplies and materials	11,460	8,185	8,184	1
Operating services	62,800	36,310	36,312	(2)
Contracted services	76,400	77,225	77,223	2
Capital outlay	30,000	2,315	2,313	2
<b>Total expenditures</b>	<b>\$ 503,318</b>	<b>\$ 461,135</b>	<b>\$ 461,132</b>	<b>\$ 3</b>
Net change in fund balance	208,002	190,775	190,778	3
Fund balances at beginning of year	1,036,222	1,051,929	1,051,929	-
Fund balances at end of year	<u>\$ 1,244,224</u>	<u>\$ 1,242,704</u>	<u>\$ 1,242,707</u>	<u>\$ 3</u>

Schedule of the District's Share of the Net Pension Liability  
For the Year Ended December 31, 2020

Parochial Employees' Retirement System of Louisiana	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019
District's proportion of the net pension liability (asset)	.029877%	.029261%	.024696%	.022354%	0.25148%
District's proportionate share of the net pension liability (asset)	\$ 8,169	\$ 77,023	\$ 50,862	\$ 16,592	\$ 111,616
District's covered-employee payroll	\$ 167,772	\$ 146,459	\$ 137,594	\$ 154,601	\$ 171,226
District's proportionate share of the net pension liability (asset) as a percentage of it's covered-employee payroll	4.87%	52.59%	36.96%	10.73%	65.19%
Plan fiduciary net position as a percentage of the total pension liability	99.15%	92.23%	94.15%	101.98%	88.86%

(Continued)

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Schedule of the District's Share of the Net Pension Liability  
For the Year Ended December 31, 2020

Parochial Employees' Retirement System of Louisiana	December 31, 2020
District's proportion of the net pension liability (asset)	.027004%
District's proportionate share of the net pension liability (asset)	\$ 1,271
District's covered-employee payroll	\$ 223,817
District's proportionate share of the net pension liability (asset) as a percentage of it's covered-employee payroll	0.5679%
Plan fiduciary net position as a percentage of the total pension liability	99.88%

(Concluded)

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Schedule of the District's Pension Contribution  
For the Year Ended December 31, 2020

Parochial Employees' Retirement System of Louisiana	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019
Contractually required contribution	\$ 24,327	\$ 19,040	\$ 17,199	\$ 17,779	\$ 19,691
Contributions in relation to the contractually required contribution	<u>24,327</u>	<u>19,040</u>	<u>17,199</u>	<u>17,779</u>	<u>19,691</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 167,772	\$ 146,459	\$ 137,594	\$ 154,601	\$ 171,226
Contributions as a percentage of covered-employee payroll	14.50%	13.00%	12.50%	11.50%	11.50%

(Continued)

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Schedule of the District's Pension Contribution  
For the Year Ended December 31, 2020

Parochial Employees' Retirement System of Louisiana	December 31, 2020
Contractually required contribution	\$ 27,418
Contributions in relation to the contractually required contribution	<u>27,418</u>
Contribution deficiency (excess)	<u>\$ -</u>
District's covered-employee payroll	\$ 223,817
Contributions as a percentage of covered-employee payroll	12.25%

(Concluded)

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

OTHER SUPPLEMENTAL INFORMATION

Schedule of Compensation, Benefits and  
Other Payments to Agency Head  
For the Year Ended December 31, 2020

Agency Head Name - Linda Ellis

Purpose	Amount
Salary	\$ 55,550
Benefits - insurance	9,734
Benefits - retirement	6,791
Deferred compensation	-
Benefits - other	-
Car allowance	-
Vehicle provided by government	Yes
Cell phone	452
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-

Schedule of Compensation, Benefits and  
Other Payments to Agency Head  
For the Year Ended December 31, 2020

Agency Head Name - Melissa Beatty

Purpose	Amount
Salary	\$ 8,979
Benefits - insurance	3,225
Benefits - retirement	1,100
Deferred compensation	-
Benefits - other	-
Car allowance	-
Vehicle provided by government	Yes
Cell phone	136
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-



## OTHER REPORTS

Schedule of Prior Year Audit Findings  
For the Year Ended December 31, 2020

There were no prior year audit findings as of December 31, 2019.

Schedule of Current Year Audit Findings and Management's Response  
For the Year Ended December 31, 2020

There were no current year audit findings as of December 31, 2020.

# Windham & Reed, L.L.C.

*Certified Public Accountants*

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John A. Windham, CPA  
Charles M. Reed, Jr., CPA

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*

Members of the Board of Commissioners  
Beauregard Parish Communications District  
Parish of Beauregard  
State of Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Beauregard Parish Communications District as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Beauregard Parish Communications District's basic financial statements, and have issued our report thereon dated August 25, 2021.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Beauregard 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 Beauregard Parish Communications District's internal control. Accordingly, we do not express an opinion on the effectiveness of Beauregard 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Beauregard 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’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.



DeRidder, Louisiana  
August 25, 2021