

**EVANGELINE PARISH
COMMUNICATIONS DISTRICT**

Financial Report

Year Ended December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

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The President and Members of
the Board of Commissioners
Evangeline Parish Communications District
Ville Platte, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Evangeline Parish Communications District (Communications District), a component unit of the Evangeline 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 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 and the major fund of the Communications District, as of December 31, 2020, 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.

Emphasis of Matter

As discussed in Note 14 to the basic financial statements, the Communications District has adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information, schedule of employer's share of net pension liability, and schedule of employer contributions, on page 30 - 33, 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.

The Communications District 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2021, on our consideration of the 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 solely 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 the effectiveness of the Communications District's 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 the Communications District's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
April 28, 2021

BASIC FINANCIAL STATEMENTS

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

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Statement of Net Position
December 31, 2020

	<u>Governmental Activities</u>
ASSETS	
Cash and interest-bearing deposits	\$ 762,153
Receivables, net	318,387
Capital assets, net	<u>2,554,496</u>
Total assets	<u>3,635,036</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Pension plan	<u>104,527</u>
 LIABILITIES	
Accounts payable	44,922
Long-term liabilities:	
Due within one year -	
Bonds payable	64,000
Due after one year -	
Bonds payable	1,196,000
Net pension liability	<u>1,051</u>
Total liabilities	<u>1,305,973</u>
 DEFERRED INFLOWS OF RESOURCES	
Pension plan	<u>61,026</u>
 NET POSITION	
Net investment in capital assets	1,294,496
Unrestricted	<u>1,078,068</u>
Total net position	<u>\$2,372,564</u>

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

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Statement of Activities
For the Year Ended December 31, 2020

Activities	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Public safety	\$1,116,444	\$ 580,927	\$ 315,822	\$ (219,695)
Interest on long-term debt	<u>50,575</u>	<u>-</u>	<u>-</u>	<u>(50,575)</u>
	<u>\$1,167,019</u>	<u>\$ 580,927</u>	<u>\$ 315,822</u>	<u>(270,270)</u>
General revenues:				
Ad valorem taxes, levied for general purposes				258,111
Non-employer pension contribution				1,807
Miscellaneous income				1,750
Interest and investment earnings				<u>5,256</u>
Total general revenues				<u>266,924</u>
Change in net position				(3,346)
Net position, beginning				<u>2,375,910</u>
Net position, ending				<u>\$ 2,372,564</u>

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

FUND FINANCIAL STATEMENTS (FFS)

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Balance Sheet
Governmental Fund - General Fund
December 31, 2020

ASSETS

Cash and interest-bearing deposits	\$ 762,153
Revenue receivable, net	<u>318,387</u>
Total assets	<u>\$1,080,540</u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE

Liabilities:	
Accounts payable	\$ 44,922
Deferred inflows of resources:	
Unavailable revenue - ad valorem taxes	60,747
Fund balance:	
Unassigned	<u>974,871</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$1,080,540</u>

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

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

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		\$ 974,871
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 funds. Those assets consist of:		
Land	\$ 20,800	
Buildings and improvements, net of \$298,143 accumulated depreciation	2,353,770	
Furniture and equipment, net of \$106,846 accumulated depreciation	<u>179,926</u>	2,554,496
Some revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources at the fund level.		
Unavailable revenues - ad valorem taxes		104,527
Deferred outflows of expenditures for the pension plan are not a use of current resources and, therefore, are not reported in the funds.		
		60,747
Some liabilities are not due and payable from current financial resources and, therefore, are not reported in the funds.		
Bonds payable	(1,260,000)	
Pension plan	<u>(1,051)</u>	(1,261,051)
Deferred inflows of contributions for the pension plan are not available resources and, therefore, are not reported in the funds.		
		<u>(61,026)</u>
Net position at December 31, 2020		<u>\$2,372,564</u>

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

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Statement of Revenues, Expenditures, and Change in Fund Balance -
Governmental Fund - General Fund
For the Year Ended December 31, 2020

Revenues:	
Ad valorem tax	\$ 218,956
Federal grants	312,006
Charges for services -	
Telephone surcharges	171,817
Cellular surcharges	371,671
Dispatching services	37,440
Miscellaneous income	5,566
Interest on deposits	5,256
Total revenues	<u>1,122,712</u>
Expenditures:	
Current -	
Public safety:	
Advertising	1,208
Auto	1,396
Dues and subscriptions	3,884
Repairs and maintenance	108,237
Insurance	39,776
Convention and seminar	2,544
Equipment lease	20,340
Office and computer supplies	72,452
Postage	279
Miscellaneous	130
Supplies	6,533
Telephone	16,205
Utilities	18,495
Professional fees	20,852
Salaries and related benefits	746,283
Debt service	<u>112,575</u>
Total expenditures	<u>1,171,189</u>
Net change in fund balance	(48,477)
Fund balance, beginning	<u>1,023,348</u>
Fund balance, ending	<u>\$ 974,871</u>

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

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Change in Fund Balance of Governmental Fund
to the Statement of Activities
For the Year Ended December 31, 2020

Total net change in fund balance for the year ended December 31, 2020 per the statement of revenues, expenditures and change in fund balance	(\$48,477)
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.	
Depreciation expense	(98,473)
Some revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources at the fund level.	
Change in unavailable revenue - ad valorem taxes	39,154
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	
Repayment of bond principal	62,000
Some expenses 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.	
Net pension liability	<u>42,450</u>
Change in net position for year ended December 31, 2020 per the statement of activities	<u>\$ (3,346)</u>

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

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

The Communications District has been created by and in accordance with provisions of Louisiana Revised Statute Title 33, Chapter 31, Section 9101-9106 for the purpose of establishing an Enhanced Emergency 911 Service. The Communications District's Board of Commissioners consists of nine members who are appointed by the Evangeline Parish Police Jury and serve four-year terms. The Commission members receive no compensation.

Because the Evangeline Parish Police Jury appoints the Board of Commissioners and can impose its will on the Communications District, the Communications District is determined to be a component unit of the Evangeline Parish Police Jury. The accompanying financial statements present information only on the fund maintained by the Communications District and do not present information on the Evangeline Parish Police Jury, the general government services provided by that governmental entity, or the other governmental entities that comprise the financial reporting entity.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The government-wide financial statements provide operational accountability information for the Communications District as an economic unit. The government-wide financial statements report the Communication District's ability to maintain service levels and continue to meet its obligations as they come due. The statements include all governmental activities of the Communications District.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Communications District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines and charges paid by the recipients for 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.

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Notes to Basic Financial Statements (Continued)

Fund Financial Statements (FFS)

The accounts of the Communications District are organized on the basis of funds, each of which is considered to be an independent fiscal and accounting entity. The operations of each fund are accounted for within separate sets of self-balancing accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues expenditures/expenses, and transfers. The minimum number of funds is maintained consistent with legal and managerial requirements. 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 emphasis of the fund financial statements is on major funds, each displayed in a separate column.

The General Fund is always a major governmental fund. Other individual governmental and enterprise major funds are determined as funds whose revenues, expenditures/expenses, assets and deferred outflows of resources, or liabilities and deferred inflows of resources, are at least ten percent of the corresponding totals for all funds of that category or type (total governmental or total enterprise funds) and at least five percent of the corresponding total for all governmental and enterprise funds combined or funds designated as major at the discretion of the Communications District. Funds not classified as a major fund are aggregated and presented in a single column in the fund financial statements. The Communications District maintains one fund, which is categorized as a governmental fund as described below.

Governmental Fund -

Governmental funds are those through which most governmental functions are typically financed. The measurement focus of governmental funds is on the sources, uses, and balances of current financial resources.

General Fund

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

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 accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

Measurement Focus

The measurement focus determines the accounting and financial reporting treatment applied to a fund.

The governmental activities within the government-wide statement of net position and statement of activities are presented using the economic resources measurement focus. The economic resources measurement focus meets the accounting objectives of determining net income, net position, and cash flows.

The governmental funds use the current financial resources measurement focus. This measurement focus is based upon the receipt and disbursement of current available financial resources rather than upon net income.

Basis of Accounting

Basis of accounting refers to the point at which 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.

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, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. An exception to this is grants collected on a reimbursement basis. Those reimbursable grants are recognized as revenue when reimbursable expenditures are made. Property tax revenues are recognized in the period for which levied provided they are also available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

Allocation of indirect expenses

The Communications District reports all direct expenses by function in the statement of activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the statement of activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the statement of activities.

Program revenues

Program revenues included in the statement of activities are derived directly from the program itself or from parties outside the Communication District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Communications District's general revenues.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Equity

Cash and interest-bearing deposits

Cash and interest-bearing deposits include all demand accounts, money market accounts, savings accounts, and certificates of deposits of the Communications District. They are stated at cost, which approximates market.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem taxes and phone and cellular surcharges. Uncollectible ad valorem taxes are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for uncollectible ad valorem taxes was \$2,835 at December 31, 2020.

Capital Assets

Capital assets, which include buildings and improvements, and furniture, equipment, and vehicles, are reported 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 acquisition value at the date of donation. The Communications District maintains a threshold level of \$5,000 or more for capitalizing capital assets. 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.

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

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 estimated useful lives by type of asset is as follows:

Buildings and improvements	15-40 years
Furniture, fixtures and equipment	5-10 years

In the fund financial statements, the acquisition of capital assets used in governmental fund operations is accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Compensated Absences

Employees of the Communications District earn annual leave at the rate of 144-184 hours each year, depending upon their length of service. Unused annual leave may be carried forward from year to year not to exceed 40 hours. Upon termination, employees are paid for unused annual leave at the employee's current rate of pay.

Full-time employees of the Communications District earn 88-128 hours of sick leave each year, depending upon their length of service. Unused sick leave may be carried forward from year to year without limitation for employees hired before July of 2016. The carry forward amount is capped at 720 hours for employees hired after June of 2016. Upon termination, unused sick leave is forfeited.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of revenue tax bonds.

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 and payment of principal, interest, and issuance costs are reported as expenditures.

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues 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. Deferred outflows of resources and deferred inflows of resources in the government-wide statements are related to its pension plan. Deferred inflows of resources in the fund financial statements are related to unavailable ad valorem tax revenue.

Pensions

The net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense (See Note 8), have been determined using the flow of economic resources measurement focus and full accrual basis of accounting. Member's earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. 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 plan, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Non-employer contributions are recognized as revenue in the government-wide financial statements. In the governmental fund financial statements contributions are recognized as expenditures when made.

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 net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Restricted net position consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or law through constitutional provisions or enabling legislation. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets. It is the Communications District's policy to use restricted net position prior to the use of unrestricted net position when both restricted and unrestricted net position are available for an expense which has been incurred.

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

- c. Unrestricted net position consists of all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Communications District’s Board of Commissioners, which is the highest level of decision-making authority for the Communications District.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Communications District’s adopted policy, only the Board of Commissioners may assign amounts for specified purposes.
- e. Unassigned – all other spendable amounts.

It is the Communications District’s policy to use restricted amounts first when both restricted and unrestricted fund balance is available unless prohibited by legal or contractual provisions. Additionally, the Communications District uses committed, assigned, and lastly unassigned amounts of fund balance in that order when expenditures are made.

E. Use of Estimates

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

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the Communications District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Communications District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2020, the Communications District has cash and interest-bearing deposits (book balances) comprised of interest and noninterest bearing demand deposits totaling \$762,153 as follows:

Demand deposits	\$157,073
Time, savings, and money market deposits	<u>605,080</u>
Total	<u>\$762,153</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Communications District's deposits may not be recovered or the collateral securities that are in the possession of an outside party will not be recovered. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. 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. Deposit balances (bank balances) at December 31, 2020, were secured as follows:

Bank balances	<u>\$765,856</u>
Federal deposit insurance	\$731,281
Pledged securities	<u>34,575</u>
Total	<u>\$765,856</u>

Deposits in the amount of \$34,575 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institutions' trust department or agent, but not in the Communications District's name. The Communications District does not have a policy for custodial credit risk.

(3) Receivables

Receivables consist of the following at December 31, 2020:

Ad valorem taxes, net	\$251,429
Telephone and cellular surcharges	<u>66,958</u>
	<u>\$318,387</u>

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

(4) Capital Assets

Capital asset activity for the year ended December 31, 2020 follows:

	Balance 1/1/2020	Additions	Deletions	Balance 12/31/2020
Capital assets not being depreciated:				
Land	\$ 20,800	\$ -	\$ -	\$ 20,800
Other capital assets:				
Buildings and improvements	2,651,913	-	-	2,651,913
Furniture, fixtures and equipment	286,772	-	-	286,772
Total	<u>2,959,485</u>	<u>-</u>	<u>-</u>	<u>2,959,485</u>
Less accumulated depreciation				
Buildings and improvements	230,115	68,028	-	298,143
Furniture, fixtures and equipment	76,401	30,445	-	106,846
Total accumulated depreciation	<u>306,516</u>	<u>98,473</u>	<u>-</u>	<u>404,989</u>
Net capital assets	<u>\$2,652,969</u>	<u>\$ (98,473)</u>	<u>\$ -</u>	<u>\$2,554,496</u>

Depreciation expense of \$98,473 was charged to the public safety function.

(5) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1st of each year. Taxes are levied in October and billed to the taxpayers by the Evangeline Parish Sheriff in December. Billed taxes become delinquent on January 1st of the following year. The taxes are based on assessed values determined by the Evangeline Parish Assessor and are collected by the Sheriff. The taxes are remitted to the Communications District net of deductions for Pension Fund contributions.

For the year ended December 31, 2020, taxes were levied at the rate of 1.04 mills on property with assessed valuations totaling \$252,752,196. Total taxes levied during 2020 were \$262,861. Taxes receivable at December 31, 2020 were \$251,429, net of an allowance for uncollectible taxes of \$2,835.

(6) Tax Abatements

The Communications District is subject to property tax abatements as follows:

A lease agreement between the Industrial Development Board and Pine Prairie Energy Center, LLC, allowed for the exemption of ad valorem taxes for fifteen years. This agreement, which was approved by the Evangeline Parish Police Jury, is for the inducement of economic development in Evangeline Parish. For the year ended December 31, 2020 the Communications District abated ad valorem tax in the amount of \$29,911.

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

The Industrial Ad Valorem Tax Exemption Program (ITEP) provided through the Louisiana Department of Economic Development, (authorized pursuant to Article VII, Part II, Section 21(F) of the Louisiana Constitution of 1974) authorizes the abatement of ad valorem taxes for a period of up to ten years on capital improvements and equipment related to manufacturing. The Communications District abated property taxes to entities in the parish through the ITEP in the amount of \$7,164 for the year ended December 31, 2020.

(7) Long-Term Liabilities

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

Balance of bonds payable, January 1, 2020	\$ 1,322,000
Additions	-
Reductions	62,000
Balance of bonds payable, December 31, 2020	\$ 1,260,000
 Due within one year	 \$ 64,000

Bonds payable consist of \$1,500,000 Limited Revenue Tax Bonds, Series 2015, dated April 1, 2015, due in annual installments of \$64,000 through \$110,000; interest at 2.87% to 4.49%, secured by and payable from telephone surcharges and an irrevocable pledge and dedication of the proceeds of a 1.04 mills ad valorem tax.

Annual debt service requirements to maturity for the bonds are as follows:

Year Ending December 31,	Principal	Interest	Total
2021	\$ 64,000	\$ 48,847	\$ 112,847
2022	66,000	46,899	112,899
2023	68,000	44,748	112,748
2024	71,000	42,398	113,398
2025	73,000	39,859	112,859
2026 - 2030	411,000	153,916	564,916
2031 - 2035	507,000	57,993	564,993
	\$ 1,260,000	\$ 434,660	\$ 1,694,660

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

(8) Pension Plan

Plan Description

The Communications District participates in the Parochial Employees Retirement System of Louisiana (Plan A), a cost-sharing, multiple-employer, defined benefit pension plan, established by LRS 11:1901. The System is administered and controlled by a separate board of trustees. The System provides retirement, disability and death benefits to plan members and beneficiaries.

Eligibility and Benefits:

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

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

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

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

Survivor Benefits:

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes. Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes. A surviving spouse who is not eligible for Social Security survivorship or retirement benefits and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

Deferred Retirement Option Plan:

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the 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 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.

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

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 3% of the member's final average compensation multiplied by his years of service, not to be less than 15, or three percent multiplied by years of service assuming continued service to age 60 for those members who are enrolled prior to January 1, 2017 and to age 62 for those members who are enrolled January 1, 2007 and later.

Contributions:

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2020, members contributed 9.5% of their annual covered salary and the Communications District contributed 12.25%. 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 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. Contributions from non-employer contributing entities were \$1,807. Contributions to the pension plan from the Communications District were \$65,161 for the year ended December 31, 2020.

Net Pension Liability:

At December 31, 2020, the Communications District reported a net pension liability of \$1,051 for its proportionate share of the 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 obligation was determined by an actuarial valuation as of that date. The Communications District's proportion of the net pension liability was based on a projection of the Communications District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the most recent measurement date, the Communications District's proportion was 0.022326%. Detailed information about the pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the Communications District's net pension liability is available in the separately issued plan financial reports at <http://www.persla.org>.

Actuarial Assumptions:

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

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

Valuation Date	December 31, 2019
Date of experience study on which significant assumptions are based	1/1/2013 - 12/31/2017
Actuarial Cost Method	Entry Age Normal
Expected Remaining Service Lives	4 years
Investment Rate of Return	6.50%, net of investment expense
Inflation Rate	2.40%
Mortality	Pub-2010 Public Retirement Plans Mortality Table for: Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality; for General Employees multiplied by 130% for males and 125% for females using MP2018 scale; for General Disabled Retirees multiplied by 130% for males and 125% for females using the MP2018 scale for disabled annuitants.
Projected Salary Increases	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 increases not yet authorized by the Board of Trustees.

Cost-of-Living Increases:

The Board is authorized to provide a cost-of-living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (RS11:1937). 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.

Discount Rate:

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

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the Capital Asset Pricing Model (CAPM). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return 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 2.0% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.18% for the year ended December 31, 2019. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocations 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%	1.22%
Equity	52%	3.45%
Alternatives	11%	0.65%
Real assets	2%	0.11%
	100%	5.43%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.43%

Sensitivity to Changes in the Discount Rate:

The following presents the employer's proportionate share of the net pension liability for Plan A calculated using the discount rate of 6.50%, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	1.0% Decrease 5.50%	Current Discount Rate 6.50%	1.0% Increase 7.50%
Employer's proportionate share of the net pension liability	\$113,592	\$1,051	\$93,256

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

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended December 31, 2020, the Communications District recognized \$24,518 in pension expense.

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

At December 31, 2020, the Communications District reported deferred outflows of resources and deferred inflows of resources related to the System from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ -	\$ 9,409
Change of assumptions	14,678	-
Net difference between projected and actual earnings on pension plan investments	-	39,396
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	24,688	12,221
Contributions subsequent to the measurement date	65,161	-
Total	\$ 104,527	\$ 61,026

Deferred outflows of resources of \$65,161 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ended December 31, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

Fiscal Year Ended	
2021	\$ (3,403)
2022	(5,688)
2023	5,171
2024	(17,740)
	\$ (21,660)

At December 31, 2020, the Communications District reported payables of \$35,441 for the contractually required contributions for the 4th quarter of 2020. These amounts are included in liabilities and reported as accounts payable in these financial statements.

(9) Implementation of Wireless E911 Service

In accordance with Louisiana Revised Statute 33:9109, the Communications District is authorized to collect emergency telephone service charges on wireless communications systems to pay the costs of implementing FCC ordered enhancements. Once these enhancements have been made and the system implementation is complete, the proceeds can be used for any lawful purpose of the Communications District. As of December 31, 2020, all enhancements are complete. Collections of wireless service charges totaled \$371,671 for the year ending December 31, 2020.

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

(10) Compensation, Benefits, and Other Payments to Agency Head

A detail of compensation, benefits, and other payments to Liz Hill, Director, for the year ended December 31, 2020 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 85,449
Benefits - insurance	6,750
Benefits - retirement	10,647
Cell phone	1,319
Dues	352
	<u>\$ 104,517</u>

(11) Board of Commissioners' Compensation

No per diem or other compensation is paid to commissioners of the Communications District.

(12) Operating Lease

The Communications District entered into a lease with AT&T for an Automatic Location Identification (ALI) system. The lease term is for one year and renews annually for successive terms of one year unless either party gives a thirty (30) day written notice. Monthly lease payments were \$1,695 and total lease expense was \$20,340 for the year ending December 31, 2020.

(13) Risk Management

The Communications District is exposed to risks of loss in the areas of auto and property liability, workers' compensation and surety bonds. All these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

(14) Adoption of Pension Standard

The Communications District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, during the year ended December 31, 2020. GASB Statement No. 68 addresses 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 or equivalent arrangements that meet criteria established by this standard. The Statement established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenditures. The amount of the restatement of previously reported net position is immaterial and, therefore, no prior period adjustment is necessary.

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

(15) Litigation

There is no litigation pending against the Communications District at December 31, 2020.

(16) Coronavirus Aid, Relief, and Economic Security Act ("CARES Act")

As a result of the unprecedented economic disruption experienced due to the Coronavirus (COVID-19) pandemic, the Federal Government passed the CARES Act. This law provides several coronavirus relief options including allocations to state and local governments. The Communications District received funding from this award through the Evangeline Parish Police Jury in the amount of \$312,006. These funds were used to prevent, prepare for, and respond to the coronavirus COVID-19 disease pandemic.

(17) Risks and Uncertainties

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may have and may continue to impact the Communications District's ongoing operations. The extent and severity of the potential impact on future operations is unknown at this time.

**REQUIRED
SUPPLEMENTARY INFORMATION**

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Ad valorem tax	\$ 242,000	\$ 237,230	\$ 218,956	\$ (18,274)
Federal grants	-	323,745	312,006	(11,739)
Charges for services -				
Telephone surcharges	220,000	159,153	171,817	12,664
Cellular surcharges	380,000	339,452	371,671	32,219
Dispatching services	37,607	37,440	37,440	-
Miscellaneous	2,000	5,918	5,566	(352)
Interest on deposits	6,000	5,703	5,256	(447)
Total revenues	<u>887,607</u>	<u>1,108,641</u>	<u>1,122,712</u>	<u>14,071</u>
Expenditures:				
Current -				
Public safety:				
Advertising	-	-	1,208	(1,208)
Auto	12,000	6,580	1,396	5,184
Dues and subscriptions	-	-	3,884	(3,884)
Repairs and maintenance	85,000	106,992	108,237	(1,245)
Insurance	32,000	38,062	39,776	(1,714)
Convention and seminar	20,000	3,396	2,544	852
Equipment lease	-	20,340	20,340	-
Office and computer supplies	115,123	97,800	72,452	25,348
Postage	-	-	279	(279)
Miscellaneous	2,500	550	130	420
Supplies	-	-	6,533	(6,533)
Telephone	-	-	16,205	(16,205)
Utilities	-	-	18,495	(18,495)
Professional fees	22,000	18,500	20,852	(2,352)
Salaries and related benefits	505,186	629,895	746,283	(116,388)
Capital outlay	900,000	-	-	-
Debt service	113,000	112,575	112,575	-
Total expenditures	<u>1,806,809</u>	<u>1,034,690</u>	<u>1,171,189</u>	<u>(136,499)</u>
Net change in fund balance	(919,202)	73,951	(48,477)	(122,428)
Fund balance, beginning	<u>1,171,859</u>	<u>1,023,348</u>	<u>1,023,348</u>	<u>148,511</u>
Fund balance, ending	<u>\$ 252,657</u>	<u>\$ 1,097,299</u>	<u>\$ 974,871</u>	<u>\$ 26,083</u>

The accompanying notes are an integral part of this schedule.

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

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

Year ended December 31,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
<i>Parochial Employees Retirement System*</i>					
2020	0.022326%	\$ 1,051	\$ 141,561	0.7%	99.89%

*The amounts presented have a measurement date of the previous fiscal year.

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

The accompanying notes are an integral part of this schedule.

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Schedule of Employer Contributions
For the Year Ended December 31, 2020

<u>Year ended December 31,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
<i>Parochial Employees Retirement System</i>					
2020	\$65,161	\$65,161	\$ -	\$531,925	12.25%

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

The accompanying notes are an integral part of this schedule.

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Notes to Required Supplementary Information
For the Year Ended December 31, 2020

(1) Budgets and Budgetary Accounting

The Evangeline Parish Communications District follows these procedures in establishing the budgetary data reflected in the financial statements:

The Director prepares a proposed budget and submits it to the Board of Commissioners for the fiscal year no later than fifteen days prior to the beginning of each fiscal year. A summary of the proposed budget is published, and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing. After holding the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted. All budgetary appropriations lapse at the end of each fiscal year. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Communications District.

(2) Excess of Expenditures Over Appropriations

The General Fund incurred expenditures in excess of appropriations in the amount of \$136,499 for the year ended December 31, 2020.

(3) Pension Plan

Changes in Benefit Terms – There were no changes in benefit terms.

Changes of Assumptions –

* Year Ended December 31,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase
<i>Parochial Employees Retirement System</i>					
2020	6.50%	6.50%	2.40%	4	4.75%

*The amount presented have a measurement date of the previous fiscal year end.

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

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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*

The President and Members of
the Board of Commissioners
Evangeline Parish Communications District
Ville Platte, 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 the Evangeline Parish Communications District (Communications District), a component unit of the Evangeline 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 Communications District's basic financial statements and have issued our report thereon dated April 28, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Communications District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Communications District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 a certain deficiency in internal control, described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 2020-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 current and prior year audit findings and management's corrective action plan as items 2020-002 and 2020-003.

Evangeline Parish Communications District's Response to Findings

Evangeline Parish Communications District's response to the findings identified in our audit is described in the accompanying schedule of current and prior year audit findings and management's corrective action plan. The 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
April 28, 2021

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Schedule of Current and Prior Year Audit Findings and Management's Corrective Action Plan
For the Year Ended December 31, 2020

Current Year Findings relating to an audit in accordance with *Government Auditing Standards*:

A. Internal Control

2020-001 Segregation of Duties

Fiscal Year Finding Initially Occurred: 1995

CONDITION: The Communications District does not have an adequate segregation of functions within the accounting system.

CRITERIA: AU-C §315.04, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, defines internal control as follows: "Internal control is a process, effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations."

CAUSE: The cause of the condition is the fact that the Communications District does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Communications District has determined that it is not cost effective to achieve complete segregation of duties within the accounting functions.

B. Compliance

2020-002 Budget Amendment Noncompliance

Fiscal year finding initially occurred: 2020

CONDITION: Actual expenditures exceeded budgeted expenditures by five percent or more in the General Fund.

CRITERIA: LSA-RS 39:1311 et seq, Budgetary Authority and Control, provides for "amending the budget when total revenue plus projected revenue are failing to meet total budgeted revenues by 5% or more, or when total expenditures plus projected expenditures exceed budgeted expenditures by 5% or more."

(continued)

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Schedule of Current and Prior Year Audit Findings and Management's Corrective Action Plan
Year Ended June 30, 2020 (Continued)

CAUSE: The cause results from the failure to properly monitor the expenditures of the Communications District and amend the budget to reflect current spending.

EFFECT: The Communications District could have overspent causing a negative fund balance.

RECOMMENDATION: We recommend that the budget be amended in accordance with the requirements of RS 39:1311, the Local Government Budget Act.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Communications District will comply with all requirements of RS 39:1311 of the Local Government Budget Act.

2020-003 Budget Public Hearing Noncompliance

Fiscal year finding initially occurred: 2020

CONDITION: The Communications District did not comply with the public participation rules for the 2020 budget.

CRITERIA: LSA-RS 39:1307 et seq, Public Participation, states that "political subdivisions with total proposed expenditures of five hundred thousand dollars or more from the general fund and any special revenue funds in a fiscal year or other similar budgetary period shall afford the public an opportunity to participate in the budgetary process prior to adoption of the budget."

CAUSE: Policies and procedures for budget preparation were not followed.

EFFECT: The citizens of Evangeline Parish were not given the opportunity to participate in the budget preparation process.

RECOMMENDATION: We recommend that the Communications District follow the Public Participation requirements of RS 39:1307 of the Local Government Budget Act.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Communications District will hold public budget hearings as required by RS 39:1307 of the Local Government Budget Act.

Part II. Prior Year Findings relating to an audit in accordance with *Government Auditing Standards*:

A. Internal Control

2019-001 Segregation of Duties

CONDITION: The Communications District does not have an adequate segregation of functions within the accounting system.

(continued)

EVANGELINE PARISH COMMUNICATIONS DISTRICT
Ville Platte, Louisiana

Schedule of Current and Prior Year Audit Findings and Management's Corrective Action Plan
Year Ended June 30, 2020 (Continued)

RECOMMENDATION: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

CURRENT STATUS: Unresolved. See finding 2020-001.

2019-002 Financial Reporting

CONDITION: Management and staff lack the expertise and/or experience in the selection and application of generally accepted accounting principles, as applicable to governmental entities, in the financial statement preparation process.

CURRENT STATUS: Resolved.

B. Compliance

There were no compliance findings.