

**LAFAYETTE PARISH
COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED
GOVERNMENT OF LAFAYETTE, LOUISIANA**

FINANCIAL REPORT

Year Ended October 31, 2023

LAFAYETTE PARISH COMMUNICATION DISTRICT

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Eunice Morgan City Abbeville

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Lafayette Parish Communication District
Lafayette, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lafayette Parish Communication District, A Component Unit of the Consolidated Government of Lafayette, Louisiana as of and for the year ended October 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of October 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Lafayette Parish Communication District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lafayette Parish Communication District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Lafayette Parish Communication District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lafayette Parish Communication District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and other required schedules on pages 4 through 11 and 49 through 58 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lafayette Parish Communication District's basic financial statements. The schedule of wireless 911 revenues and expenditures, and the schedule of compensation, benefits and other payments are presented for purposes of additional analysis and are not a required part of the financial statements. Such information 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. The 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, these schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2024, on our consideration of the 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 Lafayette Parish Communication District's internal control over financial reporting and compliance.

Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana

March 19, 2024

Lafayette Parish Communication District
Lafayette, Louisiana

Management's Discussion and Analysis

Within this section of the Lafayette Parish Communication District's (the District) annual financial report, the District's management is pleased to provide this narrative discussion and analysis of the financial activities of the District for the fiscal year ended October 31, 2023. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

The District's assets and deferred outflows of resources exceed its liabilities and deferred inflows of resources by \$24,479,515 and \$592,308 (net position) for its business-type and governmental activities, respectively, for the fiscal year ended October 31, 2023. This is a change over fiscal year ended 2022, when the District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$24,597,884 and \$1,028,986 (net position) for its business-type and governmental activities, respectively.

Total net position is comprised of the following:

- Net invested in capital assets of \$14,613,085 includes property and equipment, net of accumulated depreciation, and construction in progress, reduced for outstanding debt related to the purchase of capital assets. The District had no outstanding debt relating to its capital assets at fiscal year-end. This is a decrease of \$1,013,732 from 2022. This decrease is attributed to the disposal of old obsolete equipment.
- Unrestricted net position of \$10,458,738, represents the portion available to maintain the District's continuing obligations to citizens and creditors.

By the nature of the District's agreement with the Parish and City of Lafayette, its governmental funds report no fund balance at the end of the fiscal period. Rather, any excess funding is reimbursed to the respective governmental body and recorded as a liability in the fund financial statements. The District's proprietary fund reported total ending net position of \$24,479,515 this year. This compares to the prior year ending net position of \$24,597,884 showing a decrease of \$118,369 during the current year.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the District's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) required supplementary information. The District also includes in this report additional information to supplement the basic financial statements. Comparative data for the prior year is also presented for comparative purposes.

Government-Wide Financial Statements

The District's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the District's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

Lafayette Parish Communication District
Lafayette, Louisiana

Management's Discussion and Analysis

Government-Wide Financial Statements - Continued

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the District's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating.

The second government-wide statement is the *Statement of Activities*, which reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the District's distinct activities or functions on specific revenues.

Both of the Government-wide Financial Statements distinguish functions of the District that are principally supported by intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through charges (business-type activities).

The governmental activities of the District include public safety operations in maintaining The Office of Homeland Security and Emergency Preparedness and the administration of the City of Lafayette's 800 Megahertz Radio System. Both of these funds are special revenue funds.

Included in the business-type activities are charges to telephone companies for the operations of the local emergency telephone response service for the Parish of Lafayette.

The government-wide financial statements are presented on pages 14 - 16 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds - Governmental funds are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Because the focus of governmental funds is narrower than that of the Government-Wide Financial Statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Government-Wide Financial Statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Lafayette Parish Communication District
Lafayette, Louisiana

Management's Discussion and Analysis

Governmental Funds – Continued - The District maintained two individual governmental funds, both are special revenue funds. Information is presented by fund in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances. The funds are the Communications System Management Fund and the Office of Homeland Security and Emergency Preparedness Fund, both are considered major funds.

The basic governmental fund financial statements are presented on pages 18- 22 of this report.

Proprietary Fund – When the District receives 911 surcharges from the various telephone service providers for use in providing 911 emergency services, these services are generally reported in a proprietary fund. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the District's enterprise fund (the "911" Fund) is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for the proprietary fund. The "911" Fund is considered by the District to be a major fund. The Proprietary Fund financial statements are presented on pages 23 – 27 of this report.

Notes to the basic financial statements:

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 28 of this report.

Other information:

In addition to the basic financial statements and accompanying notes, this report also presents other supplementary information concerning the District's budget presentations. Budgetary comparison statements are included as "other required supplementary information" for the major funds, both the proprietary fund and the governmental funds. These statements demonstrate compliance with the District's adopted and final revised budget. This information is on pages 49-53 of this report.

Other required supplementary information included in this report are the schedules of funding progress for Other Post-Employment Benefits Plan as well as the requirement supplementary information required for pension disclosures. This information can be found on pages 54-58.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the District as a whole. The District's net position at fiscal year-end is \$25,071,823 as compared to the prior fiscal year end balance which was \$25,626,870. Approximately 42% of the net position is unrestricted which may be used to meet the District's ongoing obligation to citizens and creditors.

Lafayette Parish Communication District
Lafayette, Louisiana

Management's Discussion and Analysis

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

	Governmental Activities		Business-type Activities		Total Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 140,680	\$ 57,725	\$ 11,197,945	\$ 10,558,691	\$ 11,338,625	\$ 10,616,416
Capital Assets	647,968	1,072,572	13,965,117	14,554,245	14,613,085	15,626,817
Total assets	<u>788,648</u>	<u>1,130,297</u>	<u>25,163,062</u>	<u>25,112,936</u>	<u>25,951,710</u>	<u>26,243,233</u>
Deferred Outflows						
Pension/OPEB Related	67,750	27,638	1,441,708	346,872	1,509,458	374,510
Current liabilities	140,680	57,725	135,257	319,241	275,937	376,966
Non-current liabilities	90,033	3,507	1,844,035	(519,291)	1,934,068	(515,784)
Total liabilities	<u>230,713</u>	<u>61,232</u>	<u>1,979,292</u>	<u>(200,050)</u>	<u>2,210,005</u>	<u>(138,818)</u>
Deferred Inflows						
Pension/OPEB Related	33,377	67,717	145,963	1,091,974	179,340	1,159,691
Net position:						
Invested in capital assets	647,968	1,072,572	13,965,117	14,554,245	14,613,085	15,626,817
Unrestricted (deficit)	(55,660)	(43,586)	10,514,398	10,043,639	10,458,738	10,000,053
Total net position	<u>\$ 592,308</u>	<u>\$ 1,028,986</u>	<u>\$ 24,479,515</u>	<u>\$ 24,597,884</u>	<u>\$ 25,071,823</u>	<u>\$ 25,626,870</u>

The deficit in unrestricted governmental net position changed primarily because of the recordation of compensated absences and net pension liability into the statement of net position. By the nature of the governmental funds, any excess of revenues over expenditures at the fund level is reimbursed to the City/Parish Government and the funds have no fund balance, however, compensated absences do not factor into this calculation.

During 2023, current assets increased in the governmental activities and business-type activities primarily due to an increase in investments. The decrease in capital assets in the governmental activities and business-type activities is due to the mass disposal of obsolete equipment.

The net position of our business-type activities decreased by \$118,369 or less than 1% in 2023, as compared to an increase of 3.21% in 2022. The decrease in the percentage is due to the increase in cost of operations.

Lafayette Parish Communication District
Lafayette, Louisiana

Management's Discussion and Analysis

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
<u>Program revenues:</u>						
Charges for services	\$ -	\$ -	\$ 4,847,455	\$ 4,947,785	\$ 4,847,455	\$ 4,947,785
Operating grants	261,045	306,424	-	-	261,045	306,424
Capital grants	23,369	48,923	-	-	23,369	48,923
<u>General revenues:</u>						
Investment earnings	3,796	(75)	421,518	(90,352)	425,314	(90,427)
Gain/Loss on disposal of assets	(300,317)	-	(17,395)	33,582	(317,712)	33,582
Other general revenues	-	-	5,880	5,876	5,880	5,876
Nonemployer pension contributions	957	835	26,146	19,873	27,103	20,708
Total revenues	<u>(11,150)</u>	<u>356,107</u>	<u>5,283,604</u>	<u>4,916,764</u>	<u>5,272,454</u>	<u>5,272,871</u>
<u>Program expenses:</u>						
Public safety	425,528	402,319	5,401,973	4,125,104	5,827,501	4,527,423
Total expenses	<u>425,528</u>	<u>402,319</u>	<u>5,401,973</u>	<u>4,125,104</u>	<u>5,827,501</u>	<u>4,527,423</u>
Changes in net position	<u>\$ (436,678)</u>	<u>\$ (46,212)</u>	<u>\$ (118,369)</u>	<u>\$ 791,660</u>	<u>\$ (555,047)</u>	<u>\$ 745,448</u>

Governmental Activities:

The governmental funds of the District are funded in the most part by appropriations from the City and Parish of Lafayette governments. As previously discussed, any excess or deficiency of revenues over expenditures in these funds is required to be reimbursed to/recovered from the respective government in the subsequent year. The only function of the District is public safety activities. Capital grants decreased slightly this year due to less grants funds received for equipment purchases in the current year. Operating grants decreased from 2022 due to a decrease in funds allocated by the City/Parish during the year as compared to prior year.

Total expenses of the governmental activities increased as compared to 2022 due to an overall increase in expenses.

Business-type Activities:

The majority of revenues in the District's business-type activities come from telephone taxes collected by and received from the different telephone service providers that operate in the parish. In addition, the District also earns interest on its investments. Charges for services had a slight decrease of 2.03% over 2022 with expenses increasing by 31.0%. Investment earnings and unrealized gains increased by \$511,870. The largest expenses of the business-type activity are salaries and benefits, which represent 47.3% of total expenses for 2023 and repairs and maintenance which represents 14.9% of total expenses for 2023. The overall increase is largely attributed to the \$624,000 increase in pension, retirement, and Medicare expenses.

Lafayette Parish Communication District
Lafayette, Louisiana

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds:

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Due to the nature of the District's governmental funds, they do not carry over a fund balance; rather the amounts are reported as a liability to the appropriate funding authority.

Proprietary Fund:

The major fund of the District is its Proprietary Fund (the "911" fund). This fund operates as the general fund of the District. The major revenue source of this fund is telephone taxes collected by and received from the different telephone service providers in the area. It is the largest source of day-to-day service delivery. The "911" Fund's net position decreased \$118,369 which is a decrease from 2022 when net position increased \$791,660. This is attributed to the \$624,000 increase in pension, retirement and Medicare expenses.

BUDGETARY HIGHLIGHTS

Proprietary Fund

The Proprietary Fund's original budget was based on the actual amounts reported in fiscal year 2022. However, the final budget changed with an increase in expenditures due to an increase in telecommunication services needed. The final budgeted revenues were unchanged from the original. Overall budgeted expenditures for fiscal year 2023 increased approximately \$2 million to account for the increase in pension, retirement, and wages.

Major Governmental Funds

The Office of Homeland Security and Emergency Preparedness special revenue fund's final budget remained virtually unchanged with the only changes being changes in the individual line items for expenditures but overall expenditures remained the same.

The Communication System Management special revenue fund's final budget remained virtually unchanged with the only changes being changes in the individual line items for expenditures but overall expenditures remained the same.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's net investment in capital assets as of October 31, 2023, was \$14,613,085 as compared to \$15,626,817 at the end of 2022. The decrease is attributed to a mass disposal of obsolete equipment that occurred in 2023. This investment in capital assets includes buildings and improvements, equipment, furniture and construction in progress (if applicable).

See Note 8 for additional information about changes in capital assets during the fiscal year.

Lafayette Parish Communication District
Lafayette, Louisiana

Management's Discussion and Analysis

Capital Assets at Year-End, Net of Depreciation

	Governmental Activities		Business-type Activities		Total Government	
	2023	2022	2023	2022	2023	2022
Buildings and Improvements	\$ 306,985	\$ 350,839	\$ 10,098,012	\$ 10,263,193	\$ 10,404,997	\$ 10,614,032
Furniture and Equipment	340,983	721,733	3,867,105	4,217,576	4,208,088	4,939,309
Construction in Progress	-	-	-	73,476	-	73,476
Totals	\$ 647,968	\$ 1,072,572	\$ 13,965,117	\$ 14,554,245	\$ 14,613,085	\$ 15,626,817

The decrease in the District's investment in capital assets for the current fiscal year was 6.5%. The decrease is attributed to the mass disposal of obsolete equipment.

In the governmental fund type, the decrease is all attributed to the mass disposal of obsolete equipment in the current year.

Long-Term Liabilities

At the end of the fiscal year, the District had long-term liabilities for Pension, Other Post-Employment Benefits and Compensated Absences. The total amount of these liabilities at October 31, 2022 was \$1,934,068 as compared to October 31, 2022 which was \$(515,784). The change in the amounts can be explained as follows:

For the year ended October 31, 2023, the Net Pension Liability (Asset) increased by \$2,298,573 as a Net Pension Liability based on the actuarial calculations performed.

There was a slight increase of \$18,885 in Other Post-Employment Benefits at year-end.

There was also an increase in the compensated absences balance at year-end of \$132,394.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The fiscal year end 2023-2024 budgets for the proprietary and governmental fund types are based on actual 2022-2023 results. The District plans to continue purchasing equipment utilizing the federal grant funds that are being received as part of the Office of Homeland Security grant program. The District expects a slight increase in expense related to personnel pay raises and repairs and maintenance in the 2023-2024 budget. Increased appropriations have been budgeted to cover these expense increases.

Lafayette Parish Communication District
Lafayette, Louisiana

Management's Discussion and Analysis

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations, and demonstrate the District's commitment to public accountability. If you have questions about this report or would like to request additional information, contact Craig Stansbury, Director, Lafayette Parish Communication District, 1810 W. Willow Street, Scott, Louisiana 70583.

BASIC FINANCIAL STATEMENTS

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

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF NET POSITION
OCTOBER 31, 2023**

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS- TYPE ACTIVITIES</u>	<u>TOTAL</u>
ASSETS			
Current Assets			
Cash	\$ 28,687	\$ 2,193,477	\$ 2,222,164
Investments	111,095	8,624,877	8,735,972
Telephone Tax Receivable	-	307,792	307,792
Other Receivable	898	55,932	56,830
Prepaid Expense	-	-	-
Prepaid Lease	-	15,867	15,867
	<u>140,680</u>	<u>11,197,945</u>	<u>11,338,625</u>
Total Current Assets			
Noncurrent Assets:			
Property and Equipment (Net)	<u>647,968</u>	<u>13,965,117</u>	<u>14,613,085</u>
	<u>647,968</u>	<u>13,965,117</u>	<u>14,613,085</u>
Total Noncurrent Assets			
	<u>647,968</u>	<u>13,965,117</u>	<u>14,613,085</u>
TOTAL ASSETS			
	<u>\$ 788,648</u>	<u>\$ 25,163,062</u>	<u>\$ 25,951,710</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources - Pension	\$ 67,750	\$ 1,379,039	\$ 1,446,789
Deferred Outflows of Resources - OPEB	-	62,669	62,669
	<u>67,750</u>	<u>1,441,708</u>	<u>1,509,458</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES			
	<u>\$ 67,750</u>	<u>\$ 1,441,708</u>	<u>\$ 1,509,458</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF NET POSITION
OCTOBER 31, 2023**

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS- TYPE ACTIVITIES</u>	<u>TOTAL</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 9,983	\$ 43,457	\$ 53,440
Salaries Payable	3,641	91,800	95,441
Due to City/Parish of Lafayette	104,271	-	104,271
Unearned Revenue	<u>22,785</u>	<u>-</u>	<u>22,785</u>
Total Current Liabilities	<u>140,680</u>	<u>135,257</u>	<u>275,937</u>
Noncurrent Liabilities			
Accrued Compensated Absences	66,274	593,974	660,248
Net Pension Liability (Asset)	23,759	1,095,711	1,119,470
Other Post Employment Benefits	<u>-</u>	<u>154,350</u>	<u>154,350</u>
Total Noncurrent Liabilities	<u>90,033</u>	<u>1,844,035</u>	<u>1,934,068</u>
TOTAL LIABILITIES	<u>\$ 230,713</u>	<u>\$ 1,979,292</u>	<u>\$ 2,210,005</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources - Pension	\$ 33,377	\$ 105,525	\$ 138,902
Deferred Inflows of Resources -OPEB	<u>-</u>	<u>40,438</u>	<u>40,438</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 33,377</u>	<u>\$ 145,963</u>	<u>\$ 179,340</u>
NET POSITION			
Net Investment in Capital Assets	\$ 647,968	\$ 13,965,117	\$ 14,613,085
Unrestricted (Deficit)	<u>(55,660)</u>	<u>10,514,398</u>	<u>10,458,738</u>
TOTAL NET POSITION	<u>\$ 592,308</u>	<u>\$ 24,479,515</u>	<u>\$ 25,071,823</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 856,398</u>	<u>\$ 26,604,770</u>	<u>\$ 27,461,168</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED OCTOBER 31, 2023**

	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position Primary Government			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
Public Safety	\$ 425,528	\$ -	\$ 261,045	\$ 23,369	\$ (141,114)	\$ -	\$ (141,114)
Total Governmental Activities	425,528	-	261,045	23,369	(141,114)	-	(141,114)
Business-type Activities							
Public Safety	5,401,973	4,847,455	-	-	-	(554,518)	(554,518)
Total Business-Type Activities	5,401,973	4,847,455	-	-	-	(554,518)	(554,518)
Total Primary Government	<u>\$ 5,827,501</u>	<u>\$ 4,847,455</u>	<u>\$ 261,045</u>	<u>\$ 23,369</u>	<u>(141,114)</u>	<u>(554,518)</u>	<u>(695,632)</u>
General Revenues:							
Interest and Investment Earnings					3,796	421,518	425,314
Gain (Loss) on Disposal of Assets					(300,317)	(17,395)	(317,712)
Other General Revenues					-	5,880	5,880
Nonemployer Pension Contributions					957	26,146	27,103
Total General Revenues					<u>(295,564)</u>	<u>436,149</u>	<u>140,585</u>
Change in Net Position					(436,678)	(118,369)	(555,047)
Net Position-Beginning					1,028,986	24,597,884	25,626,870
Net Position-Ending					<u>\$ 592,308</u>	<u>\$ 24,479,515</u>	<u>\$ 25,071,823</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

FUND FINANCIAL STATEMENTS (FFS)

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**BALANCE SHEET - GOVERNMENTAL FUNDS
OCTOBER 31, 2023**

	<u>Office of Homeland Security and Emergency Preparedness</u>	<u>Communication System Management</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash	\$ 15,417	\$ 13,270	\$ 28,687
Investments	58,655	52,440	111,095
Other Receivables	<u>380</u>	<u>518</u>	<u>898</u>
 TOTAL ASSETS	 <u>\$ 74,452</u>	 <u>\$ 66,228</u>	 <u>\$ 140,680</u>
 LIABILITIES			
Accounts Payable	\$ 4,631	\$ 5,352	\$ 9,983
Salaries Payable	3,641	-	3,641
Due to City/Parish of Lafayette	59,226	45,045	104,271
Unearned Revenue	<u>6,954</u>	<u>15,831</u>	<u>22,785</u>
 TOTAL LIABILITIES	 74,452	 66,228	 140,680
 FUND BALANCE	 <u>-</u>	 <u>-</u>	 <u>-</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 74,452</u>	 <u>\$ 66,228</u>	 <u>\$ 140,680</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
OCTOBER 31, 2023**

Total Governmental Fund Balances	\$	-
 <i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		647,968
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Net Pension Asset (Liability)	\$ (23,759)	
Compensated Absences	<u>(66,274)</u>	(90,033)
Deferred Outflows of Resources Related to Net Pension Liability		67,750
Deferred Inflows of Resources Related to Net Pension Liability		<u>(33,377)</u>
<i>Net Position of Governmental Activities</i>		<u>\$ 592,308</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED OCTOBER 31, 2023**

	Office of Homeland Security and Emergency Preparedness	Communication System Management	Total Governmental Funds
REVENUE			
Governmental Appropriations	\$ 214,500	\$ 150,816	\$ 365,316
Grant Revenue	23,369	-	23,369
Investment Earnings	2,579	1,217	3,796
Miscellaneous Revenue	10,890	-	10,890
Total Revenue	251,338	152,033	403,371
EXPENDITURES			
Current:			
Dues and Licenses	180	-	180
Insurance	13,427	-	13,427
Janitorial Supplies and Service	27,222	-	27,222
Miscellaneous	360	-	360
Postage	-	11	11
Professional Fees	1,200	500	1,700
Publication and Recordings	48	-	48
Repairs and Maintenance	7,342	38,656	45,998
Retirement and Medicare	10,492	-	10,492
Salaries	81,252	-	81,252
Supplies and Materials	9,866	154	10,020
Telecommunications	7,286	35,482	42,768
Tower Rentals	-	17,376	17,376
Training	1,652	7,614	9,266
Transportation	6,017	-	6,017
Travel and Meetings	1,932	-	1,932
Utilities	467	7,195	7,662
Capital Outlay:			
Equipment	23,369	-	23,369
Total Expenditures	192,112	106,988	299,100

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED OCTOBER 31, 2023**

	Office of Homeland Security and Emergency Preparedness	Communication System Management	Total Governmental Funds
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 59,226	\$ 45,045	\$ 104,271
OTHER FINANCING SOURCES (USES):			
Reimbursement of Excess Funds:			
City/Parish of Lafayette	(59,226)	(45,045)	(104,271)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	-	-	-
FUND BALANCE, BEGINNING	-	-	-
FUND BALANCE, ENDING	\$ -	\$ -	\$ -

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED OCTOBER 31, 2023**

Net Change in Fund Balance - Total Governmental Funds \$ -

*Amounts reported for governmental activities in the
Statement of Activities are 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 as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital Outlay	\$ 23,369	
Depreciation	<u>(136,766)</u>	(113,397)

In the statement of activities, only the gain (loss) on sale of assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the difference:

Proceeds from the sale of assets		(10,890)
Loss on the disposal of assets		(300,317)

The effect of recording net pension liability, deferred outflows of resources and deferred inflows of resources as it relates to the net pension liability:

Change in Pension Expense	(7,645)	
Nonemployer Pension Contribution Revenue Recognized	<u>957</u>	(6,688)

Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

(5,386)

Change in Net Position of Governmental Activities \$ (436,678)

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF NET POSITION
PROPRIETARY FUND - "911" FUND
OCTOBER 31, 2023**

ASSETS

CURRENT ASSETS

Cash	\$ 2,193,477
Investments	8,624,877
Telephone Tax Receivable	307,792
Other Receivables	55,932
Prepaid Lease	<u>15,867</u>
Total Current Assets	<u>11,197,945</u>

PROPERTY AND EQUIPMENT

Building and Improvements	11,920,978
Furniture and Equipment	<u>9,700,081</u>
Total	21,621,059
Less: Accumulated Depreciation	<u>(7,655,942)</u>
Net Property and Equipment	<u>13,965,117</u>

TOTAL ASSETS \$ 25,163,062

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows of Resources - Pension	\$ 1,379,039
Deferred Outflows of Resources - OPEB	<u>62,669</u>

Total Deferred Outflows of Resources \$ 1,441,708

Total Assets and Deferred Outflows of Resources \$ 26,604,770

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF NET POSITION
PROPRIETARY FUND - "911" FUND
OCTOBER 31, 2023**

LIABILITIES

CURRENT LIABILITIES

Accounts Payable	\$ 43,457
Salaries Payable	<u>91,800</u>
Total Current Liabilities	<u>135,257</u>

NON-CURRENT LIABILITIES

Accrued Compensated Absences	593,974
Net Pension Liability (Asset)	1,095,711
Postemployment Benefit Obligation Payable	<u>154,350</u>
Total Non-Current Liabilities	<u>1,844,035</u>

TOTAL LIABILITIES	<u>\$ 1,979,292</u>
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DEFERRED INFLOWS OF RESOURCES

Deferred Inflows of Resources - Pension	\$ 105,525
Deferred Inflows of Resources - OPEB	<u>40,438</u>
Total Deferred Inflows of Resources	<u>\$ 145,963</u>

NET POSITION

Net Investment in Capital Assets	\$ 13,965,117
Unrestricted	<u>10,514,398</u>

TOTAL NET POSITION	<u>\$ 24,479,515</u>
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TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 26,604,770</u>
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The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND - "911" FUND
FOR THE YEAR ENDED OCTOBER 31, 2023**

OPERATING REVENUE	
Telephone Tax	\$ 4,842,417
Grant Revenue	5,038
Total Operating Revenue	<u>4,847,455</u>
OPERATING EXPENSES	
Contractual Services	56,713
Depreciation	955,259
Dues and Subscriptions	1,910
Duplicating Expense	3,170
Insurance	384,040
Miscellaneous	26,966
Office and Postage	9
Other Post Employment Benefits	12,726
Printing	159
Professional Fees	26,845
Publication and Recordings	546
Repairs and Maintenance	802,542
Retirement and Medicare	461,822
Salaries	2,081,132
Supplies and Materials	84,004
Telecommunications	409,188
Training	28,035
Transportation	7,860
Travel and Meetings	1,514
Uniforms	915
Utilities	<u>56,618</u>
Total Operating Expenses	<u>5,401,973</u>
OPERATING INCOME (LOSS)	<u>(554,518)</u>
NON-OPERATING REVENUES (EXPENSES)	
Investment Earnings	421,518
Miscellaneous Revenue	5,880
Gain (Loss) on Disposal of Assets	(17,395)
Nonemployer Pension Contribution	<u>26,146</u>
Total Non-Operating Revenues (Expenses)	<u>436,149</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND - "911" FUND
FOR THE YEAR ENDED OCTOBER 31, 2023**

DECREASE IN NET POSITION	\$ (118,369)
NET POSITION, BEGINNING	<u>24,597,884</u>
NET POSITION, ENDING	<u>\$ 24,479,515</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND - "911" FUND
FOR THE YEAR ENDED OCTOBER 31, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received From Providing Services	\$ 4,901,294
Cash Paid to Suppliers	(2,059,438)
Cash Paid to Employees	<u>(2,195,986)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>645,870</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases and Construction of Property and Equipment	(387,127)
Proceeds from Sale of Property and Equipment	<u>3,600</u>
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(383,527)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Investments	<u>(279,571)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(279,571)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(17,228)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>2,210,705</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 2,193,477</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Loss	\$ (554,518)
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	955,259
Miscellaneous Revenue	5,880
Provision for Net Pension Liability, Net	208,891
Changes in Assets and Liabilities:	
Telephone Tax Receivable	68,172
Prepaid Expenses	26,649
Other Receivables	(20,213)
Accounts Payable	(189,123)
Salaries Payable	11,069
Retainage Payable	(5,930)
Accrued Compensated Absences	127,008
Other Post Employment Benefits	<u>12,726</u>
Net Cash Provided by Operating Activities	<u><u>\$ 645,870</u></u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the District conform to accounting principles generally accepted in the United States as applicable to governments. The following is a summary of the significant policies.

Basis of Presentation – The Lafayette Parish Communication District’s financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The *Governmental Accounting Standards Board* (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Financial Reporting Entity –The Lafayette Parish Communication District is governed by an appointed board of commissioners and consists of the “911” Fund, the Office of Homeland Security and Emergency Preparedness Fund and The Communication System Management Fund.

The “911” Fund was created by House Bill No. 480, Act No. 788 and signed into law July 18, 1979 for the purpose of establishing a local emergency telephone response service for Lafayette Parish.

The Office of Homeland Security and Emergency Preparedness Fund (OHSEP) was consolidated with the Lafayette Parish Communication District on November 1, 1984. Funding for OHSEP is provided by the State of Louisiana Office of Homeland Security and Emergency Preparedness, the City of Lafayette and the Parish of Lafayette. Any revenues in excess of expenditures are refunded proportionately to the City and Parish of Lafayette at the end of each fiscal year.

The Communication System Management Fund (CSMF) was established on November 1, 1986 to administer the City of Lafayette’s 800 Megahertz Radio System. CSMF charges other agencies and surrounding communities a rental fee for radio tower usage. The City of Lafayette reimburses CSMF for excess expenditures over revenues received from tower rentals.

The accompanying financial statements present the District’s funds and activities. As required by GAAP, these financial statements present the District as a component unit of the Consolidated Government of Lafayette, Louisiana.

Government-Wide Financial Statements (GWFS) - The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include all the financial activities of the District. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB’s *Codification*, Section N50. The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the 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.

Government-Wide Financial Statements (GWFS) – continued - Program revenues include (a) fees and charges paid by the recipients of services offered by the District, 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.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (FFS) – The financial transactions of the Lafayette Parish Communication District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenses or expenditures. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Lafayette Parish Communication District:

Governmental Funds –

Special Revenue Funds – These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Proprietary Fund –

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary fund of the District:

Enterprise Fund – This type of fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing emergency telephone response services to the general public on a continuing basis is financed through user charges.

The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District or its total assets, liabilities, revenues, or expenditures of the individual fund type is at least ten percent of the corresponding total for all of that fund type. Non-major funds by category are summarized into a single column. The non-major funds are combined in a column in the fund financial statements. The Proprietary Fund – “911” Fund is the operating fund of the District and is considered a major fund. In addition, the Office of Homeland Security and Emergency Preparedness Fund and the Communication System Management Fund meet the criteria of a major fund and are reported as such for the year ended October 31, 2023.

Measurement Focus/Basis of Accounting – Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Accrual

Governmental activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The proprietary fund type is accounted for on a cost of service measurement focus using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the related liabilities are incurred.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Modified Accrual

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. Intergovernmental revenues and fees, charges and commissions for services are recorded when the District is entitled to the funds. Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred, if measurable.

Budgets and Budgetary Accounting – The Lafayette Parish Communication District is required to adopt annual budgets for each fund. Each budget is presented on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles ("GAAP").

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- a. Each year, prior to November 1, the District prepares a budget for the next succeeding fiscal year and submits it to the Board of Commissioners. The operating budget includes proposed expenditures and the means of financing them.
- b. The Lafayette Parish Communication District adopts the budget by a resolution of the Board of Commissioners.
- c. The budget must be revised and approved by the Commissioners for any increase in budgetary expenditures.
- d. All budgetary appropriations lapse at the end of each fiscal year.

Cash and Interest-Bearing Deposits – Cash and interest-bearing deposits are stated at cost, which approximates market.

Unearned Revenue – Unearned revenue in the Communication System Management Fund represents rental fees for future radio tower usage. Rental revenue is recognized on a pro-rata basis as radio tower service is provided.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets – Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated cost if historical cost is not available. The District’s capitalization policy matches that of the City/Parish of Lafayette, its fiscal agent. Contributed assets are recorded as capital assets at their estimated fair market value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Building and improvements	20 – 40 years
Vehicles	5 years
Equipment and Furniture	5 -10 years

Compensated Absences – Annual leave is a paid leave of absence from regularly scheduled work hours granted to regular employees for the purpose of rest and recreation or to attend to personal affairs. Annual leave is earned by all regular full and part-time employees based on their years of service ranging from eight to sixteen hours per month beginning after six months of service. Excess leave shall be added to the employee’s sick leave balance. Sick leave is earned by all full-time employees at the rate of eight hours per month and part-time employees at a pro-rata amount based on their usual work schedule for each completed month of employment.

Sick leave is carried forward from year to year. An employee shall be paid for all accumulated hours of sick leave at their regular rate of pay upon regular or disability retirement, death, or upon permanent layoff of an employee with 15 years or more of employment provided an offer of employment in a position of equal or greater pay was not refused and will not be paid upon any other type of separation from service. In accordance with GASB’s *Codification*, Section C60, an accrual is made for accrued sick leave that is determined to be payable at separation based on the above criteria.

On October 31, 2023, accrued compensated absences in the “911” Fund amounted to \$593,974. The portion of accrued compensated absences attributed to the Office of Homeland Security and Emergency Preparedness Fund amounted to \$66,274 on October 31, 2023.

Prepaid Items – Payments made to vendors for services that will benefit periods beyond year-end are recorded as prepaid items.

Cash and Cash Equivalents – For purposes of the Statement of Cash Flows, the District considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Interfund Transactions – Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental and proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Classifications – In the government-wide statement of net position, equity is classified as net position and displayed in three components:

- a. Net investments in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those net assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The District has no restricted net assets at October 31, 2023.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

In the fund financial statements, governmental equity is classified as fund balance. However, due to the nature of the governmental funds, there is no fund balance reported in these funds at the end of the fiscal year.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles of the United States of America requires 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 amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

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 in 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.

NOTE 2 CASH AND INVESTMENTS

The District's cash and investments are included in the Consolidated Government of Lafayette Parish's (LCG) Cash Management Fund, which is pooled with LCG's other investments. Interest earned from the pooled cash management fund is apportioned to each fund based on its average daily cash balance. LCG's investments are categorized to give an indication of the level of risk assumed by LCG at year-end.

Category 1 includes investments that are insured or registered or for which the securities are held by LCG or its agent in LCG's name. All funds are considered Category 1 at October 31, 2023.

Cash and investments include bank balances and investments that at the balance sheet date Cash balances are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. The District has no custodial credit risk associated with these deposits.

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OF LAFAYETTE, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

As a component unit of the Consolidated Government of Lafayette, Louisiana, the District follows the Cash Management Rules and Guidelines of the Lafayette City-Parish Consolidated Government. Following are the risks associated with these rules and guidelines.

Interest Rate Risk: As a means of limiting its exposure to fair-value losses arising from rising interest rates, the District's investment policy limits the investment portfolio to "money market instruments", which are defined as very creditworthy, highly liquid investments with maturities of one year or less. Although there may be certain circumstances in which longer-term securities are utilized, the general use of long-term securities shall be avoided.

Credit Risk: The District's Investment Policy limits investments to fully insured and/or fully-collateralized certificates of deposits and direct and indirect obligations of U.S. government agencies.

Concentration of Credit Risk: The District's investment policy limits the District's investment instruments to: 1) Certificates of Deposit; 2) Certain direct obligations of the US Government; 3) Other "direct obligations" of the U.S. Government; and, 4) Obligations of certain US Government Agencies.

NOTE 3 INVESTMENTS

As of October 31, 2023, the Government's investments were as follows:

<u>Primary Government:</u>		<u>Maturities</u>		
Investment Type:	<u>% of Portfolio</u>	<u>Fair Value</u>	<u>Less than 1 Year</u>	<u>1 - 5 Years</u>
LAMP	1.49%	\$ 1,657	\$ 1,657	\$ -
U.S. Treasuries	72.74%	80,809	57,434	23,374
U.S. Instrumentalities	25.77%	28,629	27,438	1,192
Total investments	<u>100.00%</u>	<u>\$ 111,095</u>	<u>\$ 86,529</u>	<u>\$ 24,566</u>

<u>Proprietary Fund:</u>		<u>Maturities</u>		
Investment Type:	<u>% of Portfolio</u>	<u>Fair Value</u>	<u>Less than 1 Year</u>	<u>1 - 5 Years</u>
LAMP	1.26%	\$ 108,628	\$ 108,628	\$ -
U.S. Treasuries	25.83%	2,227,871	2,135,121	92,750
U.S. Instrumentalities	72.91%	6,288,378	4,469,359	1,819,019
Total investments	<u>100.00%</u>	<u>\$ 8,624,877</u>	<u>\$ 6,713,108</u>	<u>\$ 1,911,769</u>

**LAFAYETTE PARISH COMMUNICATION DISTRICT
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NOTES TO FINANCIAL STATEMENTS

NOTE 3 INVESTMENTS (CONTINUED)

The following provides information about interest rate risk associated with the Government's investments:

Credit rate risk: The risks are managed by restricting investments to those authorized by R.S. 33:5162. The Government's Investment Policy limits investments to fully insured and/or fully-collateralized certificates of deposits and direct and indirect obligations of U.S. government agencies. The Government's investments in U.S. Treasuries and U.S. Instrumentalities were rated AA+ and A-1+ by Standard and Poor's and repurchase agreements were not rated.

Concentration of credit risk: R.S. 33:2955 provides that all fixed income investments be appropriately diversified by maturity, security, sector, and credit quality. At October 31, 2023, no more than 5 percent of the Government's total investments were invested in any single issue.

Custodial Credit Risk - In the event of the failure of the counterparty, the Government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Government's investment policy requires all investments to be in the Government's name and all ownership securities to be evidenced by an acceptable safekeeping receipt issued by a third-party financial institution which is acceptable to the Government. Accordingly, the Government had no custodial credit risk related to its investments.

In accordance with GASB Statement No. 31, the Government recognized a net increase in the fair value of investments in the amount of \$274 and \$105,332 for Governmental Funds and Proprietary funds, respectively. This amount takes into account all changes in fair value that occurred during the year. The unrealized loss on investments held at October 31, 2023 was \$274 and \$105,332 for Governmental Funds and Proprietary funds, respectively.

NOTE 4 TELEPHONE TAX RECEIVABLE

The telephone tax is received by the "911" Fund from AT&T Mobility, Inc., Cox Louisiana Telecom, LLC, Bellsouth Telecommunications, Inc., the Louisiana Department of Revenue and various other vendors from amounts billed to their customers. At October 31, 2023, the telephone tax receivable was \$307,792. The responsibility of collecting the tax rests with the telephone companies and the receivable is reported net of any uncollected amounts, therefore, no allowance for uncollectible taxes is deemed necessary.

NOTE 5 PENSION PLAN

During the year ended October 31, 2015, the District adopted the provisions of Governmental Accounting Statement No. 68 – *Accounting and Financial Reporting for Pensions*. The Parochial Employees' Retirement System of Louisiana prepare their employer schedules in accordance with Governmental Accounting Statement No. 68 - *Accounting and Financial Reporting for Pensions* – an amendment of GASB Statement No. 27. GASB Statement No. 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. It also provides methods to calculate participating employer's proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense and amortization periods for deferred inflows and deferred outflows.

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NOTES TO FINANCIAL STATEMENTS

NOTE 5 PENSION PLAN (CONTINUED)

The employer pension schedules for the Parochial Employees' Retirement System of Louisiana are prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. The member's earnable compensation is attributed to the employer for which the member is employed as of October 31, 2023.

Substantially all of the District's employees are covered under the Parochial Employees' Retirement System of Louisiana. Details concerning the plan are:

Plan Description:

The Parochial Employees' Retirement System of Louisiana (the System) is a cost-sharing multiple-employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the state of Louisiana or any governing body or a parish which employs and pays persons serving the parish.

Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan". Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. Employees of the District are members of Plan A.

The Parochial Employees' Retirement System of Louisiana issues a stand-alone report on their financial statements. Access to the report can be found on the Louisiana Legislative Auditor's website, www.la.gov.

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

Eligibility Requirements:

All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the System.

Retirement Benefits:

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

For employees hired prior to January 1, 2007:

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.

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NOTES TO FINANCIAL STATEMENTS

NOTE 5 PENSION PLAN (CONTINUED)

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 3% 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 Retirement System. DROP is an option for that member who is eligible for normal retirement.

In lieu of terminating employment and accepting a service retirement, any member of Plan A or B 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.

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

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

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NOTES TO FINANCIAL STATEMENTS

NOTE 5 PENSION PLAN (CONTINUED)

For individuals who become eligible to participate in the Deferred Retirement Option Plan on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the Board of Trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts.

The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability Benefits:

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board.

Upon retirement caused by disability, if not eligible for normal retirement, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or 3% multiplied by years of service assuming continued service to age 60 for those members who are enrolled prior to January 1, 2007 and to age 62 for those members who are enrolled January 1, 2007 and later.

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. (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Employer Contributions:

According to state statute, contributions for all employers are actuarially determined each year. For the years ended December 31, 2022, and 2021, the actuarially determined contribution rate was 7.10% and 10.38%, respectively, of member's compensation for Plan A. The actual contribution rate for each of the fiscal years ending December 31, 2022, and 2021 was 11.50% and 12.25% respectively for Plan A.

According to state statute, the System also receives ¼ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

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NOTES TO FINANCIAL STATEMENTS

NOTE 5 PENSION PLAN (CONTINUED)

Employer Allocations:

The schedule of employer allocations reports the historical employer contributions, in addition to the employer allocation percentage for each participating employer. The historical employer contributions are used to determine the proportionate relationship of each employer to all employers of Parochial Employees' Retirement System of Louisiana. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The resulting allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on each employer's contributions to the plan during the fiscal year ended December 31, 2022 as compared to the total of all employers' contributions received by the plan during the fiscal year ended December 31, 2022.

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

At October 31, 2023, the District reported a pension asset of \$(1,119,470) for its proportionate share of the net pension asset, of which \$(23,759) and \$(1,095,711) was reported in the governmental activities and business-type activities, respectively. The net pension asset was measured as of December 31, 2022, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The District's proportion of the net pension asset 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 employers, actuarially determined. At December 31, 2022, the District's proportion was .29%, which was an increase of .04% from its proportion measured as of December 31, 2021.

For the year ended October 31, 2023, the District recognized pension expense of \$449,298 adjusted for the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$0.

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NOTES TO FINANCIAL STATEMENTS

NOTE 5 PENSION PLAN (CONTINUED)

At October 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 1,461	\$ 4,354	\$ 39,928	\$ 118,984
Changes in assumptions	1,261	-	34,465	-
Difference between projected and actual earnings on pension plan investments	41,718	-	1,140,082	-
Difference between employer contributions and proportionate share of contributions	50	549	1,356	15,015
Employer contributions subsequent to measurement date	6,582	-	179,884	-
Total	<u>\$ 51,072</u>	<u>\$ 4,903</u>	<u>\$ 1,395,715</u>	<u>\$ 133,999</u>

Deferred outflows of resources of \$186,466 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 in the year ended October 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31:</u>	
2022	\$ 33,105
2023	185,659
2024	372,861
2025	529,795
Totals	<u>\$ 1,121,420</u>

Actuarial Methods and Assumptions:

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

The components of the net pension liability/asset of the System's employers as of December 31, 2022, are as follows:

	<u>PLAN A</u>
Total Pension Liability	\$4,658,944,882
Plan Fiduciary Net Position	<u>4,274,065,818</u>
Total Net Pension Liability (Asset)	<u>\$ 384,879,064</u>

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NOTES TO FINANCIAL STATEMENTS

NOTE 5 PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions (continued):

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2022, are as follows:

Valuation Date	December 31, 2022
Actuarial Cost Method	Plan A – Entry Age Normal
Investment Rate of Return	6.40% net of investment expense, including inflation
Expected 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 Health 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 and 125% for 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	2.30%

The discount rate used to measure the total pension liability was 6.40% 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.

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NOTES TO FINANCIAL STATEMENTS

NOTE 5 PENSION PLAN (CONTINUED)

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 Disables Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

Sensitivity to Changes in Discount Rate:

The following presents the net pension liability/asset of the participating employers as of December 31, 2022 calculated using the discount rate of 6.40%, 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 5.40% or one percentage point higher 7.40% than the current rate.

	Plan A - Changes in Discount Rate		
	1.0% Decrease	Current Discount	1.0% Increase
	5.4%	Rate of 6.4%	7.4%
Net Pension Liability (Asset)	\$ 2,768,485	\$ 1,119,470	\$ (263,019)

Change in Net Pension Liability:

The changes in the net pension liability for the year ended October 31, 2023 were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience:

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in a deferred inflow of resources in the amount of \$123,338 and a deferred outflow of resources in the amount of \$41,389 for Plan A for the year ended October 31, 2023.

Differences between Projected and Actual Investment Earnings:

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a deferred inflow of resources in the amounts of \$1,181,800 for Plan A for the year ended October 31, 2023.

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NOTES TO FINANCIAL STATEMENTS

NOTE 5 PENSION PLAN (CONTINUED)

Change in Assumptions:

The changes in assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The change in assumptions or other inputs resulted in deferred outflows of resources in the amount of \$35,726 for Plan A, for the year ended October 31, 2023.

Change in Proportion:

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense/(benefit) using a the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The change in proportion resulted in a deferred inflow of resources in the amount of \$15,564 and a deferred outflow of resources in the amount of \$1,406 for Plan A, for the year ended October 31, 2023.

Contributions – Proportionate Share:

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense/(benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

NOTE 6 POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

General Information about the OPEB Plan

Plan description – The LPCD provides certain continuing health care and life insurance benefits for its retired employees. The LPCD's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the LPCD. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the LPCD. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB).

Benefits Provided – Medical benefits are provided through insured programs. The plan provisions are contained in the official plan documents. Employees are covered by Plan A of Parochial Employees Retirement System (PERS), whose retirement eligibility (D.R.O.P. entry) provisions are as follows: for active members hired before January 1, 2007: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service; for active members hired on and after January 1, 2007: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service.

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NOTES TO FINANCIAL STATEMENTS

NOTE 6 POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)

Employees covered by benefit terms – As of the measurement date October 31, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	0
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	29
	29

Total OPEB Liability

The LPCD’s total OPEB liability of \$154,350 was measured as of October 31, 2023, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the November 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	4.0%, including inflation
Discount rate	4.27% annually (Beginning of Year to Determine ADC) 4.16%, annually (As of End of Year Measurement Date)
Healthcare cost trend rates	5.5% annually for 10 years, 4.5% thereafter
Mortality	SOA RP-2000 Table

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of October 31, 2023, the end of the applicable measurement period.

The actuarial assumptions used in the October 31, 2023 valuation were based on the results of ongoing evaluations of the assumptions from November 1, 2009 to October 31, 2023.

Changes in the Total OPEB Liability

Balance at October 31, 2022	\$ 135,465
Changes for the Year:	
Service Cost	4,066
Interest	5,784
Difference between Expected and Actual	7,013
Changes in Assumptions	2,022
Benefit Payments and Net Transfers	-
Net Changes	18,885
Balance at October 31, 2023	\$ 154,350

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NOTES TO FINANCIAL STATEMENTS

NOTE 6 POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the LPCD, as well as what the LPCD’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.16%) or 1-percentage-point higher (5.16%) than the current discount rate:

	1.0% Decrease (3.16%)	Current Discount Rate (4.16%)	1.0% Increase (5.16%)
Total OPEB liability	\$ 187,248	\$ 154,350	\$ 128,902

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the LPCD, as well as what the LPCD’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 131,797	\$ 154,350	\$ 183,714

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended October 31, 2023, the LPCD recognized OPEB expense of \$12,726. At October 31, 2023 the LPCD reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 40,673	\$ (6,150)
Changes in assumptions	21,996	(34,288)
Total	\$ 62,669	\$ (40,438)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending October 31:	
2024	\$ 2,876
2025	2,876
2026	2,876
2027	2,876
2028	(1,138)
Thereafter	11,884

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

NOTE 7 LEASES

On September 1, 1983, the District entered into and prepaid a ninety-nine year lease with the City of Lafayette for land for future construction of a permanent facility. The prepaid amount has been amortized over the term of the lease in the amount of \$253 per year through October 31, 2019. This lease was terminated in January 2020 with a prepaid amount of \$15,867. The District is currently in discussions with the Lafayette Consolidated Government to enter into an Intergovernmental Agreement with the Parish of Lafayette, whereby the District would have use of a portion of the courthouse for a period of 10 years at a cost of \$1,587 per year. The remaining amount reflected as prepaid, will be amortized over the term of the new agreement.

The District has entered into a lease with AT&T. for an Automatic Location Identification (ALI) system. The ALI system is used within the “911” Fund. The lease term is for one year and renews annually unless either party gives a one hundred eighty (180) day written notice. The current lease term runs from June 1, 2023, through May 31, 2024. Monthly lease payments were \$12,855 through May 31, 2023 then \$10,860 for the new lease term. Future minimum lease payments at October 31, 2023, were \$76,020.

In June 2004, the District entered into an Intergovernmental Agreement with the City of Carencro to lease a parcel of land for construction of the Mobile Operations Center Garage. The initial term of the lease is fifty years, scheduled to be up for renewal in June 2054. After the initial term, the City has the option to continue the lease on a month-to-month basis. There is no cost to the District for this lease.

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**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

NOTE 8 CAPITAL ASSETS

Capital asset activity for the year ended October 31, 2023 was as follows:

	<u>Balance 10/31/2022</u>	<u>Additions/ Completions</u>	<u>Retirements/ Adjustments</u>	<u>Balance 10/31/2023</u>
<u>Governmental Activities:</u>				
Capital assets, being depreciated				
Buildings	\$ 892,231	\$ -	\$ (6,472)	\$ 885,759
Furniture and equipment	<u>4,541,871</u>	<u>23,369</u>	<u>(671,816)</u>	<u>3,893,424</u>
Total capital assets being depreciated	<u>5,434,102</u>	<u>23,369</u>	<u>(678,288)</u>	<u>4,779,183</u>
Less: Accumulated depreciation for:				
Buildings	(541,392)	(43,854)	6,472	(578,774)
Furniture and equipment	<u>(3,820,138)</u>	<u>(92,912)</u>	<u>360,609</u>	<u>(3,552,441)</u>
Total accumulated depreciation	<u>(4,361,530)</u>	<u>(136,766)</u>	<u>367,081</u>	<u>(4,131,215)</u>
 Total capital assets being depreciated, net	<u>1,072,572</u>	<u>(113,397)</u>	<u>(311,207)</u>	<u>647,968</u>
Governmental activities capital assets, net	<u>\$ 1,072,572</u>	<u>\$ (113,397)</u>	<u>\$ (311,207)</u>	<u>\$ 647,968</u>
 <u>Business-type Activities:</u>				
Capital assets, being depreciated				
Buildings	\$ 11,822,419	\$ 143,737	\$ (45,178)	\$ 11,920,978
Furniture and equipment	<u>11,981,977</u>	<u>316,866</u>	<u>(2,598,762)</u>	<u>9,700,081</u>
Total capital assets being depreciated	<u>23,804,396</u>	<u>460,603</u>	<u>(2,643,940)</u>	<u>21,621,059</u>
Less: Accumulated depreciation for:				
Buildings	(1,559,226)	(298,885)	35,145	(1,822,966)
Furniture and equipment	<u>(7,764,401)</u>	<u>(656,375)</u>	<u>2,587,800</u>	<u>(5,832,976)</u>
Total accumulated depreciation	<u>(9,323,627)</u>	<u>(955,260)</u>	<u>2,622,945</u>	<u>(7,655,942)</u>
 Total capital assets being depreciated, net	<u>14,480,769</u>	<u>(494,657)</u>	<u>(20,995)</u>	<u>13,965,117</u>
 Construction in progress	<u>73,476</u>	<u>7,030</u>	<u>(80,506)</u>	<u>-</u>
Business-type activities capital assets, net	<u>\$ 14,554,245</u>	<u>\$ (487,627)</u>	<u>\$ (101,501)</u>	<u>\$ 13,965,117</u>

Depreciation expense for the year ended October 31, 2023 was charged as direct expense to programs of the government as follows:

Governmental Activities – Public Safety	<u>\$ 136,766</u>
Business-Type Activities – Public Safety	<u>\$ 955,260</u>

NOTE 9 BOARD COMPENSATION

The Board of Commissioners serve without compensation or per diem.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

NOTE 10 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; and natural disasters. The District is insured to reduce the exposure to these risks.

NOTE 11 LITIGATION

From time to time, the District is exposed to risk of loss related to claims against the District, arising in the normal course of operations. Management believes that the District's insurance coverage is sufficient for potential liabilities, if any. Therefore, no amounts were recorded in these financial statements.

NOTE 12 COMMITMENTS

In February 2021, the District entered into an agreement with Motorola Solutions for the equipment and installation of a Command Central Aware system and Situational Awareness custom interface. The project and installation were completed during 2023. The agreement also includes a cancellable four year subscription for licensing, maintenance and technical support at an annual cost of \$39,560. Based on the terms and types of services provided, management does not believe the subscription meets the requirements under Governmental Accounting Standards Board (GASB) issued Statement No. 96, Subscription-Based Information Technology Arrangements. Related subscription costs for the year ended October 31, 2023 were \$39,560. Future payments required under the agreement are as follows:

Year ending October 31:		
2024	\$	39,560
2025		39,560
2026		39,560
Total	\$	118,680

NOTE 13 NEW ACCOUNTING PRONOUNCEMENTS

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset— an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The provisions of GASB Statement No. 96 were implemented by the District for 2023. Management has reviewed current subscriptions and determined none met the criteria of GASB 96 for capitalization.

NOTE 14 SUBSEQUENT EVENTS

The District has evaluated subsequent events through March 19, 2024, the date which these financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET (GAAP BASIS) AND ACTUAL
ENTERPRISE FUND - PROPRIETARY FUND
FOR THE YEAR ENDED OCTOBER 31, 2023**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Telephone Tax	\$ 4,600,000	\$ 4,600,000	\$ 4,842,417	\$ 242,417
Miscellaneous Revenue	20,000	20,000	5,880	(14,120)
Investment Earnings	50,000	50,000	421,518	371,518
Generator Grant	-	-	5,038	5,038
Gain (Loss) on Fixed Asset Disposal	(50,000)	(50,000)	(17,395)	32,605
Nonemployer Pension Contribution	-	-	26,146	26,146
Total Revenue	4,620,000	4,620,000	5,283,604	663,604
EXPENSES				
Current:				
Contractual Services	50,000	80,000	56,713	23,287
Depreciation	600,000	600,000	955,259	(355,259)
Dues and Subscriptions	3,000	3,000	1,910	1,090
Duplicating Expense	5,000	5,000	3,170	1,830
Insurance	411,640	411,640	384,040	27,600
Land Lease	300	300	-	300
Miscellaneous	28,000	28,000	26,966	1,034
Office and Postage	1,500	1,500	9	1,491
Other Post Employment Benefits	75,000	75,000	12,726	62,274
Printing	1,000	1,000	159	841
Professional Fees	37,000	40,300	26,845	13,455
Publication and Recordings	2,000	2,000	546	1,454
Repairs and Maintenance	835,000	839,700	802,542	37,158
Retirement and Medicare	636,000	636,000	461,822	174,178
Salaries	2,471,000	2,471,000	2,081,132	389,868
Supplies and Materials	150,000	112,000	84,004	27,996
Telecommunications	300,000	450,000	409,188	40,812
Training	40,000	40,000	28,035	11,965
Transportation	20,000	20,000	7,860	12,140
Travel and Meetings	2,500	2,500	1,514	986
Uniforms	3,000	3,000	915	2,085
Utilities	80,000	80,000	56,618	23,382
Total Expenses	\$ 5,751,940	\$ 5,901,940	\$ 5,401,973	\$ 499,967
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(1,131,940)	(1,281,940)	(118,369)	1,163,571

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET (GAAP BASIS) AND ACTUAL
ENTERPRISE FUND - PROPRIETARY FUND
FOR THE YEAR ENDED OCTOBER 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES (BROUGHT FORWARD)	\$ (1,131,940)	\$ (1,281,940)	\$ (118,369)	\$ 1,163,571
NET POSITION, BEGINNING	<u>24,597,884</u>	<u>24,597,884</u>	<u>24,597,884</u>	<u>-</u>
NET POSITION, ENDING	<u>\$23,465,944</u>	<u>\$ 23,315,944</u>	<u>\$ 24,479,515</u>	<u>\$ 1,163,571</u>

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**SPECIAL REVENUE FUND
OFFICE OF HOMELAND SECURITY AND EMERGENCY PREPAREDNESS**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED OCTOBER 31, 2023**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Government Appropriations	\$ 214,500	\$ 214,500	\$ 214,500	\$ -
Grant Revenue	-	23,500	23,369	(131)
Interest Earnings	200	200	2,579	2,379
Miscellaneous Revenues	-	-	10,890	10,890
Total Revenue	214,700	238,200	251,338	13,138
EXPENDITURES				
Current:				
Dues, Licenses and Subscriptions	300	300	180	120
Duplicating Expense	200	200	-	200
Insurance	20,960	20,960	13,427	7,533
Janitorial Supplies and Service	30,000	35,000	27,222	7,778
Miscellaneous	1,500	1,500	360	1,140
Postage	200	200	-	200
Professional Fees	1,200	1,200	1,200	-
Publication and Recordings	200	200	48	152
Repairs and Maintenance	6,000	11,000	7,342	3,658
Retirement and Medicare	12,000	12,000	10,492	1,508
Salaries	81,000	86,000	81,252	4,748
Supplies and Materials	23,290	12,290	9,866	2,424
Telecommunications	23,000	18,000	7,286	10,714
Training	4,000	4,000	1,652	2,348
Transportation	6,050	7,050	6,017	1,033
Travel and Meetings	2,000	2,000	1,932	68
Uniforms	800	800	-	800
Utilities	2,000	2,000	467	1,533
Capital Outlay:				
Equipment	-	23,500	23,369	131
Total Expenditures	\$ 214,700	\$ 238,200	\$ 192,112	\$ 46,088

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**SPECIAL REVENUE FUND
OFFICE OF HOMELAND SECURITY AND EMERGENCY PREPAREDNESS**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED OCTOBER 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXCESS OF REVENUES OVER EXPENDITURES	\$ -	\$ -	\$ 59,226	\$ 59,226
OTHER FINANCING SOURCES (USES):				
Reimbursement of Excess Funds:				
City/Parish of Lafayette	<u>-</u>	<u>-</u>	<u>(59,226)</u>	<u>(59,226)</u>
EXCESS OF REVENUES OVER EXPENDITURE AND OTHER FINANCING USES	-	-	-	-
FUND BALANCE, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**SPECIAL REVENUE FUND
COMMUNICATION SYSTEM MANAGEMENT**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED OCTOBER 31, 2023**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Government Appropriation	\$ 165,000	\$ 165,000	\$ 150,816	\$ (14,184)
Interest Earnings	-	-	1,217	1,217
Total Revenue	165,000	165,000	152,033	(12,967)
EXPENDITURES				
Current:				
Dues and Licenses	300	300	-	300
Postage	100	100	11	89
Professional Fees	500	500	500	-
Repairs and Maintenance	76,000	70,500	38,656	31,844
Supplies and Materials	2,500	2,500	154	2,346
Telecommunications	48,100	48,100	35,482	12,618
Tower Rentals	22,000	22,000	17,376	4,624
Training	4,500	10,000	7,614	2,386
Utilities	11,000	11,000	7,195	3,805
Total Expenditures	165,000	165,000	106,988	58,012
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	45,045	45,045
OTHER FINANCING SOURCES (USES)				
Reimbursement of Funds:				
City/Parish of Lafayette	-	-	(45,045)	(45,045)
DEFICIENCY OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	-	-	-	-
FUND BALANCE, BEGINNING	-	-	-	-
FUND BALANCE, ENDING	\$ -	\$ -	\$ -	\$ -

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED OCTOBER 31, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service cost	\$ 4,066	\$ 5,140	\$ 4,493	\$ 3,631	\$ 2,803	\$ 3,131
Interest	5,784	3,447	2,856	3,673	5,069	5,352
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	7,013	13,992	29,246	(12,298)	8,152	2,838
Changes of assumptions	2,022	(38,290)	1,824	8,894	20,410	(10,136)
Benefit payments	-	-	(15,460)	(14,654)	(30,714)	(29,113)
Net change in total OPEB liability	<u>18,885</u>	<u>(15,711)</u>	<u>22,959</u>	<u>(10,754)</u>	<u>5,720</u>	<u>(27,928)</u>
Total OPEB liability - beginning	<u>135,465</u>	<u>151,176</u>	<u>128,217</u>	<u>138,971</u>	<u>133,251</u>	<u>161,179</u>
Total OPEB liability - ending	<u>\$ 154,350</u>	<u>\$ 135,465</u>	<u>\$ 151,176</u>	<u>\$ 128,217</u>	<u>\$ 138,971</u>	<u>\$ 133,251</u>
Covered-employee payroll	<u>\$ 1,860,936</u>	<u>\$ 1,789,362</u>	<u>\$ 1,669,060</u>	<u>\$ 1,693,359</u>	<u>\$ 1,498,849</u>	<u>\$ 1,484,009</u>
Net OPEB liability as a percentage of covered-employee payroll	<u>8.29%</u>	<u>7.57%</u>	<u>9.06%</u>	<u>7.57%</u>	<u>9.27%</u>	<u>8.98%</u>
Notes to Schedule:						
Benefit Change	None	None	None	None	None	None
Changes of Assumptions:						
Discount Rate	4.16%	4.27%	2.28%	2.37%	2.79%	2.37%

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

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB
FOR THE YEAR ENDED OCTOBER 31, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 12,159	\$ 12,153	\$ 10,513	\$ 10,530	\$ 10,792	\$ 12,060
Contributions in relation to the actuarially determined contribution						
Employer contributions to trust	-	-	-	-	-	-
Employer-paid retiree premiums	-	-	(15,460)	(14,654)	(30,714)	(29,113)
Contribution deficiency (excess)	<u>\$ 12,159</u>	<u>\$ 12,153</u>	<u>\$ (4,947)</u>	<u>\$ (4,124)</u>	<u>\$ (19,922)</u>	<u>\$ (17,053)</u>
Covered annual payroll	<u>\$ 1,860,936</u>	<u>\$ 1,789,362</u>	<u>\$ 1,669,060</u>	<u>\$ 1,693,359</u>	<u>\$ 1,498,849</u>	<u>\$ 1,484,009</u>
Contributions as a percentage of covered employee payroll	<u>0.65%</u>	<u>0.68%</u>	<u>-0.30%</u>	<u>-0.24%</u>	<u>-1.33%</u>	<u>-1.15%</u>

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

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED OCTOBER 31, 2023**

Year ended October 31,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.221775%	\$ 60,635	\$ 1,294,481	4.7%	99.15%
2016	0.229240%	\$ 603,427	\$ 1,412,214	42.7%	92.23%
2017	0.2369997%	\$ 488,104	\$ 1,411,574	34.6%	94.15%
2018	0.225874%	\$ (167,654)	\$ 1,580,812	-10.6%	101.98%
2019	0.246655%	\$ 1,094,262	\$ 1,643,375	66.6%	88.86%
2020	0.259891%	\$ 12,234	\$ 1,772,885	0.7%	99.89%
2021	0.263322%	\$ (468,241)	\$ 1,787,213	-26.2%	104.00%
2022	0.250317%	\$ (1,179,104)	\$ 1,895,939	-62.2%	90.53%
2023	0.290863%	\$ 1,119,469	\$ 2,265,332	49.4%	109.00%

* - The amounts presented have a measurement date of December 31.

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

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION
FOR THE YEAR ENDED OCTOBER 31, 2023**

Year ended October 31,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	\$ 207,117	\$ 212,694	\$ (5,577)	\$ 1,294,481	16.43%
2016	\$ 204,771	\$ 192,689	\$ 12,082	\$ 1,412,214	13.64%
2017	\$ 183,505	\$ 179,245	\$ 4,260	\$ 1,411,574	12.70%
2018	\$ 197,602	\$ 176,057	\$ 21,545	\$ 1,580,812	11.14%
2019	\$ 188,988	\$ 177,570	\$ 11,418	\$ 1,643,375	10.81%
2020	\$ 203,882	\$ 187,501	\$ 16,381	\$ 1,772,885	10.58%
2021	\$ 205,529	\$ 205,161	\$ 368	\$ 1,787,213	11.48%
2022	\$ 232,253	\$ 218,660	\$ 13,593	\$ 1,895,939	11.53%
2023	\$ 260,513	\$ 232,762	\$ 27,751	\$ 2,265,332	10.27%

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

**LAFAYETTE PAISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED OCTOBER 31, 2023**

NOTE 1 PENSION PLAN

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

NOTE 2 OTHER POSTEMPLOYMENT BENEFITS

Benefit Changes – There were no changes of benefit terms for the year ended October 31, 2022.

Change of Assumptions – The discount rate as of October 31, 2022 was 4.27% and it changed to 4.16% as of October 31, 2023.

Actuarially determined contributions are calculated as of the last day of the fiscal year in which contributions were reported.

Valuation Date	November 1, 2022
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Dollar, Open
Amortization Period	30 years
Asset Valuation Method	Market Value
Inflation	2.5% Annually
Healthcare Cost Trend	5.5% Annually for ten years, 4.5% thereafter
Salary Increases	4.0% Including Inflation
Discount Rate	4.27% Annually (Beginning of Year to Determine ADC) 4.16% Annually (As of End of Year to Measurement Date)
Retirement Age	6 years delay after: Hire date Prior to 1/1/2007 – 30 years of service at any age; or age 55 and 25 years of service, or age 60 and 10 years of service; or age 65 and 7 years of service; Hired on or after 1/1/2007 – 30 years of service and age 55; or, age 62 and 10 years of service; or, age 67 and 7 years of service.
Mortality	RP-2000 without projection.
Turnover	Age specific table with an average of 8% when applied to the active census.
Decline Rate	10% of retirees decline coverage at retirement.

OTHER SUPPLEMENTARY INFORMATION

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**SCHEDULE OF WIRELESS 911 REVENUES AND EXPENDITURES
FOR THE YEAR ENDED OCTOBER 31, 2023**

REVENUES

AT&T (Lafayette MSA)	\$	1,820,819
Verizon Wireless/CELLCO		524,240
State of Louisiana - Department of Revenue		476,811
T-Mobile Central		252,795
New Cingular Wireless PCS, LLC		221,204
Acadian Cellular		116,171
Sprintcom		69,087
Other wireless companies		150,123
TOTAL REVENUES	\$	3,631,250

NOTE:

The collection of the Wireless E911 tax is authorized by Louisiana Revised Statute 33:9109. According to the statute, the District is to collect the tax from the providers of wireless communications. The proceeds of the tax are restricted in use for payment of service suppliers' and the District's costs associated with the implementation of Phase I and Phase II enhancements required by the FCC. Once these expenditures have been made and the system implementation is complete, the proceeds become unrestricted and may be used for any lawful purpose of the District. All Phase I and Phase II system implementation requirements are complete.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
FOR THE YEAR ENDED OCTOBER 31, 2023**

Agency Head Name: James C. Stansbury

Purpose	Amount
Salary	\$ 140,014
Benefits - Insurance, Retirement, Medicare, etc.	22,177
Vehicle Subsidy Leases	212
Per Diem	747
Travel	2,585
Registration Fees	550
Transportation	1,436
	<u>\$ 167,721</u>

See Independent Auditors' Report.

COMPLIANCE AND INTERNAL CONTROL

OTHER LOCATIONS:

Eunice Morgan City Abbeville

Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

To the Board of Commissioners
Lafayette Parish Communication District
Lafayette, 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, the business-type activities, and the major funds of Lafayette Parish Communication District, A Component Unit of the Consolidated Government of Lafayette, Louisiana, as of and for the year ended October 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 19, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lafayette Parish Communication 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 Lafayette Parish Communication District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lafayette Parish Communication 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lafayette Parish Communication District's financial statements are free of 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 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 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. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor of the State of Louisiana as a public document.

Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana

March 19, 2024

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED OCTOBER 31, 2023**

We have audited the financial statements of the Lafayette Parish Communication District as of and for the year ended October 31, 2023 and have issued our report thereon dated March 19, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of October 31, 2023 resulted in an unmodified opinion.

Section I - Summary of Auditors' Reports

A. FINANCIAL STATEMENTS

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses	___	Yes	✓	No
Significant Deficiency	___	Yes	✓	No

Compliance

Compliance Material to Financial Statements	___	Yes	✓	No
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B. FEDERAL AWARDS

This section is not applicable for the fiscal year ended October 31, 2023.

Section II - Financial Statement Findings

The audit did not disclose any findings required to be reported.

Section III - Federal Award Findings and Questioned Costs

This section is not applicable for the fiscal year ended October 31, 2023.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED OCTOBER 31, 2023**

There were no prior year findings.

**LAFAYETTE PARISH COMMUNICATION DISTRICT
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED OCTOBER 31, 2023**

No current year findings were noted, therefore, no response is deemed necessary.

Lafayette Parish Communication District
Lafayette, Louisiana

Independent Accountant's Report
On Applying Agreed-Upon Procedures

Year Ended October 31, 2023



**DARNALL SIKES
& FREDERICK**

A CORPORATION OF CERTIFIED
PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners and Management
Lafayette Parish Communication District
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period November 1, 2022 through October 31, 2023. Lafayette Parish Communication District's management is responsible for those control and compliance areas identified in the SAUPs.

The Lafayette Parish Communication District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the control and compliance areas identified in LLA's SAUPs for the fiscal period November 1, 2022 through October 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
Written policies and procedures were obtained and do address the functions noted above.
 - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
Written policies and procedures were obtained and do address the functions noted above.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
Written policies and procedures were obtained and do address the functions noted above.
 - iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all

collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Written policies and procedures were obtained and do address the functions noted above.

- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

Written policies and procedures were obtained and do address the functions noted above.

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

Written policies and procedures were obtained and do address the functions noted above.

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

Written policies and procedures were obtained and do address the functions noted above.

- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Written policies and procedures were obtained and do address the functions noted above.

- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Written policies and procedures were obtained and do address the functions noted above.

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

This section is not applicable – the District has no debt.

- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Written policies and procedures were obtained and do address the functions noted above.

- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Written policies and procedures were obtained and do address the functions noted above.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
No exceptions noted.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
No exceptions noted.
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
No exceptions noted.
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.
Obtained the prior year audit report and observed that there were no audit findings.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- The District's cash balances are maintained in pooled accounts under the control of the Lafayette Consolidated Government as outlined in the fiscal agent agreement between the parties. Representations were obtained from the audit firm of the Lafayette Consolidated Government that this section was tested by them and there were no exceptions noted.*

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Obtained listing of deposit sites and management's representation that the listing was complete.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that

Obtained listing of collection locations from management and management's representation that the listing was complete.

- i. Employees responsible for cash collections do not share cash drawers/registers;
No exceptions noted.
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
No exceptions noted.
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
No exceptions noted.
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
No exceptions noted.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
No exceptions noted.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.*
- E. Obtain supporting documentation for each of the 10 deposits and:
- i. Observe that receipts are sequentially pre-numbered.
No exceptions noted.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
No exceptions noted.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
No exceptions noted.

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

No exceptions noted.

- v. Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted.

5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Obtained listing of locations that process payments and management's representation that the listing was complete.

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

No exceptions noted.

- ii. At least two employees are involved in processing and approving payments to vendors;

No exceptions noted.

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

No exceptions noted.

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

No exceptions noted.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exceptions noted.

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

No exceptions noted.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

No exceptions noted.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No exceptions noted.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

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

Obtained listing of active credit cards, bank debit cards, fuel cards, and P-cards, including the card numbers and the names of the persons who maintained possession of the cards, and management's representation that the listing was complete.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

No exceptions noted.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions noted.

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions noted.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Obtained listing of travel and travel-related expense reimbursements and management's representation that the listing was complete.

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

No exceptions noted.

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

No exceptions noted.

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

No exceptions noted.

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

Obtained listing of all contracts in effect and management's representation that the listing was complete.

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

No exceptions noted.

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

No exceptions noted.

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
No exceptions noted.
- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.
No exceptions noted.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
The District's payroll function is performed by the Lafayette Consolidated Government as outlined in the fiscal agent agreement between the parties. Representations were obtained from the audit firm of the Lafayette Consolidated Government that this section was tested by them and there were no exceptions noted.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
No exceptions noted.
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
No exceptions noted.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.
No exceptions noted.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
This section is not applicable – the District has no debt.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

This section is not applicable – the District has no debt.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

No misappropriations of public funds or assets noted.

- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions noted.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

No exceptions noted.

B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

No exceptions noted.

C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

No exceptions noted.

- i. Number and percentage of public servants in the agency who have completed the training requirements;
- ii. Number of sexual harassment complaints received by the agency;
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

We were engaged by Lafayette Parish Communication District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Lafayette Parish Communication District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Lafayette, Louisiana

March 5, 2024