

ACADIA PARISH COMMUNICATIONS DISTRICT
(A Component Unit of the Acadia Parish Police Jury)
Crowley, Louisiana

Financial Report

Year Ended December 31, 2019

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INDEPENDENT AUDITOR'S REPORT

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To the Board of Commissioners
Acadia Parish Communications District
Crowley, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of Acadia Parish Communications District (the District), a component unit of the Acadia Parish Police Jury, as of and for the year then ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and schedules of employer's share of net pension liability and employer pension contributions on page 27 through 29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information on pages 32 through 34 is presented for purposes of additional analysis and is not a required part of the financial statements.

The comparative statements on pages 32 and 33 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statements are fairly stated in all material respects in relation to the financial statements as a whole. The prior year comparative information on these statements has been derived from the financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, was fairly presented in all material respects in relation to the financial statements as a whole.

The comparison schedule on page 34 has not been subjected to the auditing procedures applied in the 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2020 on our consideration of the District's internal control over financial reporting and on our test 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 the District's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
June 30, 2020

BASIC FINANCIAL STATEMENTS

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

ACADIA PARISH COMMUNICATIONS DISTRICT
Crowley, Louisiana

Statement of Net Position
December 31, 2019

	Governmental Activities
ASSETS	
Current assets:	
Cash	\$3,642,039
Certificate of deposits	672,860
Accounts receivable	194,110
Prepaid expenses	11,659
Total current assets	4,520,668
Noncurrent assets:	
Capital assets, net	707,443
Total noncurrent assets	5,228,111
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	39,094
Current liabilities:	
Accounts payable	15,272
Compensated absences	889
Due to other governmental agencies	65,233
Total current liabilities	81,394
Noncurrent liabilities:	
Compensated absences	13,333
Net pension liability	43,620
Total noncurrent liabilities	56,953
Total liabilities	138,347
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	2,734
NET POSITION	
Net investment in capital assets	707,443
Restricted - capital grant	2,264
Unrestricted	4,416,417
Total net position	\$5,126,124

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

FUND FINANCIAL STATEMENTS (FFS)

ACADIA PARISH COMMUNICATIONS DISTRICT
Crowley, Louisiana

Balance Sheet - Governmental Funds
December 31, 2019

	General Fund
ASSETS	
Cash	\$3,642,039
Certificate of deposit	672,860
Accounts receivable	194,110
Prepaid insurance	<u>11,659</u>
Total assets	<u>\$4,520,668</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 15,272
Due to other governmental agencies	<u>65,233</u>
Total liabilities	<u>80,505</u>
Fund balances:	
Nonspendable - prepaid insurance	11,659
Restricted - capital grant	2,264
Assigned - training and equipment	50,574
Unassigned	<u>4,375,666</u>
Total fund balances	<u>4,440,163</u>
Total liabilities and fund balances	<u>\$4,520,668</u>

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

ACADIA PARISH COMMUNICATIONS DISTRICT
Crowley, Louisiana

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2019

Total fund balances for governmental funds at December 31, 2019		\$ 4,440,163
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 54,000	
Buildings and improvements, net of \$416,356 of accumulated depreciation	574,531	
Equipment, net of \$184,097 of accumulated depreciation	<u>78,912</u>	707,443
The deferred outflows of expenditures for the net pension liability in accordance with GASB 68 is not a use of current resources, and therefore, are not reported in the funds.		
Deferred outflow of resources - related to net pension liability		39,094
Noncurrent liabilities at December 31, 2019:		
Net pension liability		(43,620)
Accrued compensated absences is not a use of current resources, and therefore, are not reported in the funds.		
		(14,222)
The deferred inflows of resources for the net pension liability in accordance with GASB 68 is not a use of current resources, and therefore, are not reported in the funds.		
Deferred inflow of resources - related to net pension liability		<u>(2,734)</u>
Net position at December 31, 2019		<u>\$ 5,126,124</u>

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

ACADIA PARISH COMMUNICATIONS DISTRICT
Crowley, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances -
For the Year Ended December 31, 2019

	General Fund
Revenues:	
Franchise taxes	\$ 968,202
Investment earnings	8,666
Miscellaneous revenue	100
Total revenues	976,968
 Expenditures:	
Current -	
Public safety	624,122
Capital outlay	7,341
Total expenditures	631,463
Net change in fund balance	345,505
Fund balance, beginning	4,094,658
Fund balance, ending	\$ 4,440,163

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

ACADIA PARISH COMMUNICATIONS DISTRICT
Crowley, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of the Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2019

Total net changes in fund balances for the year ended December 31, 2019 per statement of revenues, expenditures and changes in fund balances		\$ 345,505
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay which is considered expenditures on statement of revenues, expenditures and changes in fund balances	\$ 7,341	
Depreciation expense for the year ended December 31, 2019	<u>(46,299)</u>	(38,958)
<p>Differences between the amount reported as expenses in the statement of activities with those reported as expenditures in the fund financial statements:</p>		
Pension expense	(9,914)	
Compensated absences	<u>(279)</u>	(10,193)
Nonemployer's contribution to the District employee's pension plan		<u>751</u>
Total changes in net position for the year ended December 31, 2019 per statement of activities		<u>\$ 297,105</u>

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

ACADIA PARISH COMMUNICATIONS DISTRICT
Crowley, Louisiana

Notes to Basic Financial Statements

INTRODUCTION

(1) Summary of Significant Accounting Policies

A. Financial Reporting Entity

The Acadia Parish Communications District was created pursuant to an ordinance of the Acadia Parish Police Jury and was established for the purpose of creating and maintaining an enhanced 911 emergency service. The District is governed by seven commissioners. These seven commissioners are referred to as the Board of Commissioners and are appointed by the Acadia Parish Police Jury. The Board of Commissioners is not compensated.

Because the Acadia Parish Police Jury appoints the Board of Commissioners of the District and can influence the scope of public service, the District is determined to be a component unit of the Acadia Parish Police Jury, the governing body of the parish and the governmental entity with oversight responsibility. The accompanying financial statements present information only on the fund maintained by the District and do not present information on the Acadia Parish Police Jury, the general government services provided by that governmental entity, or the other governmental entities that comprise the financial reporting entity.

B. Basis of Presentation

The accompanying basic financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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, deferred outflows of resources, liabilities, and deferred inflows of resources 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, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with professional standards.

The statement of activities presents a comparison between direct expenses and program revenues for 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.

ACADIA PARISH COMMUNICATIONS DISTRICT
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

Fund Financial Statements (FFS)

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid the District by segregating transactions related to certain District's functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. 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 governmental fund is at least 10 percent of the corresponding total for all governmental funds. For reporting purposes, the General Fund of the District is considered to be a major fund. The funds of the District are described below:

Governmental Funds -

General Fund

The General Fund is the general operating fund of the District. The General Fund is financed through franchise taxes earned by the District. Resources of the fund are used to supplement the cost of operating the District's office.

C. Measurement Focus/Basis of Accounting

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

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

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 the year end. Expenditures are recognized when the related liability is incurred.

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

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not received. Major receivable balances for the governmental activities include fees and charges for services.

ACADIA PARISH COMMUNICATIONS DISTRICT
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

Prepaid expenditures

Payments made for insurance and other expenditures that will benefit periods beyond the end of the fiscal year are recorded as prepaid expenditures.

Capital Assets

Capital assets are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	10 - 40
Equipment	5 - 20

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. As of December 31, 2019, the District's deferred outflows of resources and deferred inflows of resources are attributable to the pension plan.

Equity Classifications

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

- a. Net investment in capital assets - Consists of capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

ACADIA PARISH COMMUNICATIONS DISTRICT
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

- b. **Restricted net position** – Net position is considered restricted if the use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers or the District’s debt.
- c. **Unrestricted net position** – Consists of all other net position that does not meet the definition of “net investment in capital assets” or “restricted”.

In the governmental fund financial statements, fund equity is classified as fund balances and are classified as follows:

- a. **Nonspendable** – Includes amounts that cannot be spent because they are either not spendable in form or legally or contractually required to remain intact. All amounts reported as nonspendable as of December 31, 2019 , by the District are nonspendable in form. The District has not reported any amounts that are legally or contractually required to be maintained intact.
- b. **Restricted** – Includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provisions or enabling legislation.
- c. **Committed** – Includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to directives of the District who has the highest level of decision making District. Commitments may be modified or rescinded only through actions of the District.
- d. **Assigned** – Includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. The District or his designee may assign amounts to this classification.
- e. **Unassigned** – Includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund.

Use of restricted resources

When an expenditure is incurred that can be paid using either restricted or unrestricted resources (fund balances), the District considers to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the District considers to first apply the expenditure toward restricted fund balance and then to other, less restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

ACADIA PARISH COMMUNICATIONS DISTRICT
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

Revenues, Expenditures, and Expenses

Operating Revenues

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/Expenses

Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the District.

E. Compensated Absences

Full-time employees of the District earn annual leave in amounts ranging from 5 to 20 days per year, depending upon length of service. Upon voluntary resignation or retirement, an employee may be compensated for accumulated leave to the date of separation, not to exceed 20 days, provided, in the case of resignation, he has complete 12 or more months of continuous service and also provided he has submitted notice to his department head or Chairman of the District, at least two weeks in advance of the effective date of resignation. At the end of each year, all unused annual leave is automatically converted into sick leave.

Permanent full-time employees of the District earn one day of sick leave for each month of continuous employment. Permanent part-time employees accumulate sick leave on a pro rata basis. Sick leave may be accumulated by an employee without limitation as to the maximum number of days. Upon voluntary resignation or retirement, an employee may be compensated for sick leave accumulated to the date of separation, not to exceed 60 days, provided he has completed 12 or more months of continuous service and also provided he has submitted notice of resignation or retirement to the department head or Chairman of the District at least two weeks in advance of his retirement or resignation. The District intends to pay the above accumulated unpaid sick leave upon separation.

F. Estimates

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

ACADIA PARISH COMMUNICATIONS DISTRICT
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. As of December 31, 2019, the District had cash and interest-bearing deposits (book balances) totaling \$4,314,899 attributable to governmental activities.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District's deposits may not be recovered or the collateral securities that are in the possession of an outside party will not be recovered. These deposits are stated at cost, which approximates fair value. 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 bank. These securities are held in the name of the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. As of December 31, 2019, bank balances in the amount of \$4,338,813 were as follows:

Bank balances	<u>\$ 4,338,813</u>
Federal deposit insurance	250,000
Pledged securities	<u>4,088,813</u>
Total	<u>\$ 4,338,813</u>

Deposits in the amount of \$4,088,813 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the District's name. Even though the pledged securities are considered uncollateralized, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand. The District does not have a policy for custodial risk.

(3) Receivables

The following is a summary of communications taxes receivable at December 31, 2019:

Amounts due from:	
Landline providers	\$ 34,042
Voice over internet protocol (VOIP) providers	372
Wireless providers	124,071
Prepaid phone providers	34,395
Other	<u>1,230</u>
	<u>\$ 194,110</u>

Management is of the opinion that all receivables are collectible; therefore, no provision for uncollectible accounts receivable has been made for the year ended December 31, 2019.

ACADIA PARISH COMMUNICATIONS DISTRICT
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

(4) Capital Assets

Capital asset activity for the year ended December 31, 2019 was as follows:

	Balance 1/1/2019	Additions	Deletions	Balance 12/31/2019
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 54,000	\$ -	\$ -	\$ 54,000
Capital assets being depreciated				
Building and improvements	990,887	-	-	990,887
Equipment	255,668	7,341	-	263,009
Total capital assets being depreciated	1,246,555	7,341	-	1,253,896
Less: accumulated depreciation				
Building and improvements	389,256	27,100	-	416,356
Equipment	164,898	19,199	-	184,097
Total accumulated depreciation	554,154	46,299	-	600,453
Total capital assets being depreciated, net	692,401	(38,958)	-	653,443
Governmental activities, capital assets, net	\$ 746,401	\$ (38,958)	\$ -	\$ 707,443

Depreciation expense in the amount of \$46,299 was charged to general government.

(5) Due to Other Governments

Due to other governments in the amount of \$65,233 at December 31, 2019 is owed to the Acadia Parish Sheriff for reimbursement of expenses for the quarter ended December 31, 2019.

(6) Change in Noncurrent Liabilities

The following is a summary of noncurrent liability transactions of the District for the year ended December 31, 2019:

	Balance 1/1/2019	Increases	Decreases	Balance 12/31/2019	Due Within One Year
Compensated absences	\$ 13,943	\$ 279	\$ -	\$ 14,222	\$ 889

ACADIA PARISH COMMUNICATIONS DISTRICT
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

(7) Employee Retirement Systems

The District participates in a cost-sharing defined benefit plan, the Parochial Employees' Retirement System (PERS), administered by a separate public employee retirement system. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the District to establish and amend benefit provisions of the plan administered by this public employee retirement system to the State Legislature. The plan is not closed to new entrants. Substantially all District employees participate in the system.

Plan Description

PERS provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:1901 and 11:1941. The District participates in Plan A.

PERS' financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Interest income is recognized when earned. Ad valorem taxes and revenue sharing monies are recognized in the year collected by the tax collector.

A brief summary of eligibility and benefits of the plan is provided in the following table:

Final average salary	Final average compensation
Years of service required and/or age eligible for benefits	30 years of any age 25 years age 55* 10 years age 60* 7 years age 65*
Benefit percent per years of service	3.00%

* Employees hired after January 1, 2007: 30 years age 55, 10 years age 62, 7 years age 67.

Contributions

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the District to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. In addition, PERS receives a percentage of ad valorem taxes collected by parishes. These entities are not participating employers in the pension system and are considered to be nonemployer contributing entities. For the year ended December 31, 2019, the contribution percentages for employees and employers were 9.5% and 11.5%, respectively. The amounts contributed from non-employer contributing entities and from the District for the year ended December 31, 2019 were \$751 and \$7,087, respectively.

ACADIA PARISH COMMUNICATIONS DISTRICT
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

Net Pension Liability

The District's net pension liability at December 31, 2019 of \$43,620 is comprised of its proportionate share of the net pension liability relating to the cost-sharing plan. The District's net pension liability for the plan was measured as of the plan's measurement date, December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability for the plan was based on the District's required contributions in proportion to total required contributions for all employers.

As of the most recent measurement date, the District's proportion for the plan was .009828%, an increase of .000567% from the prior measurement date.

Since the measurement date of the net pension liability was December 31, 2018, the net pension liability is based upon fiduciary net position for the plan as of that date. Detailed information about the plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the District's net pension liability is available in the separately issued plan financial report which may be accessed on their website at <http://www.persla.org/>.

Actuarial Assumptions

The following table provides information concerning actuarial assumptions used in the determination of the total pension liability:

Date of experience study on which significant assumptions are based	1/1/2010 - 12/31/2014
Expected remaining service lives	4
Inflation Rate	2.40%
Projected salary increases	4.75%
Projected benefit changes including COLAs	None
Source of mortality assumptions	RP-2000 Healthy Annuitant Sex Distinct Mortality Tables Projected to 2031 using Scale AA RP-2000 Disabled Lives Mortality Table for disabled annuitants set back 5 years for males and 3 years for females RP-2000 Employees Sex Distinct Tables set back 4 years for males and 3 years for females

ACADIA PARISH COMMUNICATIONS DISTRICT
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

Cost of Living Adjustments

PERS has the authority to grant cost-of-living adjustments (COLAs) on an ad hoc basis. Pursuant to LRS 11:242(B), the power of the Board of Trustees of the PERS to grant a COLA is effective in calendar years that the legislature fails to grant a COLA, unless in the legislation granting a COLA, the legislature authorizes the Board of Trustees to provide an additional COLA. The District to grant a COLA by the Board is subject to the funded status and interest earnings. The effects of the benefit changes made as a result of the COLAs is included in the measurement of the total pension liability as of the measurement date at which the ad hoc COLA was granted and the amount is known and reasonably estimable.

Discount Rate

The discount rate used to measure the District’s total pension liability for the plan and the significant assumptions used in the determination of the discount rate was 6.50%, which decreased .25% from rate as the prior valuation. Plan cash flow assumptions are that the plan member contributions will be made at the current contribution rate and sponsor contributions will be made at the actuarially determined rate.

The discount rate used to measure the District’s total pension liability for the pension plan is equal to the long-term expected rate of return on pension plan investments that are expected to be used to finance the payment of benefits. The rate was determined using a triangulation method which integrated the Capital Asset Pricing Model (CAPM), a treasury yield curve approach and an equity building block model. Risk return and correlation are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	35%	1.22%
Equities	52%	3.45%
Alternative Investments	11%	0.65%
Real Assets	2%	0.11%
Total	100%	5.43%
Inflation		2.00%
Expected Return		7.43%

ACADIA PARISH COMMUNICATIONS DISTRICT
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pension Plan:

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended December 31, 2019, the District recognized \$17,001 in pension expense related to its pension plan. The plan recognized revenues in the amount of \$751 in ad valorem taxes collected from non-employee contributing entities.

As of December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to its pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,657
Net difference between projected and actual earnings on pension plan investments	20,881	-
Change in proportion and differences between employer contributions and proportionate share of contributions	220	77
Changes in assumptions	10,906	-
Contributions subsequent to the measurement date	7,087	-
Total	\$ 39,094	\$ 2,734

Deferred outflows of resources of \$39,094 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending December 31, 2020. Amounts reported as deferred outflows of resources and (deferred inflows of resources) related to pensions to be recognized in pension expense are as follows:

Year Ended December 31	Net Amount Recognized in Pension Expense
2020	\$ 10,044
2021	5,485
2022	4,517
2023	9,227
	\$ 29,273

ACADIA PARISH COMMUNICATIONS DISTRICT
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

Sensitivity of the District’s Proportional Share of the Net Pension Liability to Changes in the Discount Rate:

The following presents the District’s proportionate share of the net pension liability of the plan, calculated using the discount rate, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease <u>5.5%</u>	Current Discount Rate <u>6.5%</u>	1% Increase <u>7.5%</u>
Net pension liability	<u>\$ 92,638</u>	<u>\$ 43,620</u>	<u>\$ 2,646</u>

Payables to Pension Plan

At December 31, 2019, the District had no outstanding payables to PERS.

(8) Addenda to Financial Report Required by LA R.S. 33:9101 et seq

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. During the year ended December 31, 2019, the District collected wireless communication taxes totaling \$603,611.

(9) Concentrations

Substantially all of the District’s revenues are in the form of communications and cellular tax revenues. The communications and cellular taxes collected during 2019 accounted for approximately 99% of the District’s total revenues.

(10) Operating Leases

The District has several operating leases in effect at year end. These leases cover the use of various pieces of equipment and are in excess of one year. However, they are cancelable. The total rental expense for all leases for the year ended December 31, 2019 was 150,708.

(11) Risk Management

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

ACADIA PARISH COMMUNICATIONS DISTRICT
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

(12) Litigation

As of December 31, 2019, the District's office is not involved in any litigation.

(13) Compensation of Board Members

Board members for the year ended December 31, 2019, served without compensation and are as follows:

K.P. Gibson, Chairman	
Cody Leckelt	Jeremiah Meck
James Simon	Ralph Lacombe
John Dubose	Carol Stelly

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

The schedule of compensation, benefits, and other payments to Mary T. Richard, Director, for the year ended December 31, 2019 follows:

Purpose	Amount
Salary	\$ 61,624
Benefits - insurance	18,689
Benefits - retirement	7,087
Benefits - payroll taxes	894
Cell phone	599
Dues	262
Reimbursements	617
Total	\$ 89,772

(15) New Accounting Pronouncement

GASB Statement 87, *Leases* will require all leases to be reported on the statement of net position under a single accounting model for both lessors and lessees. The statement will require the recognition of lease assets or liabilities for leases previously reported as operating leases. Both operation and capital leases will be reported under this single accounting method and reported by lessees as an intangible right to use asset and by lessors as a receivable with both reporting a deferred inflow of resources. The standard is effective for annual reporting periods beginning after December 15, 2019. All of the District's lease agreements will need to be evaluated to determine the impact of implementing this standard; however, the effect of this standard or its applicability to the District is unknown at this time.

(16) Subsequent Events

Uncertainty Occurring After Financial Statement Date – As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may impact the District's ongoing operations; however, the extent and severity of the potential impact is unknown at this time.

**REQUIRED SUPPLEMENTARY
INFORMATION**

ACADIA PARISH COMMUNICATIONS DISTRICT
Crowley, Louisiana

General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Franchise taxes	\$ 910,000	\$ 968,000	\$ 968,202	\$ 202
Investment earnings	3,000	7,255	8,666	1,411
Miscellaneous revenue	200	100	100	-
Total revenues	<u>913,200</u>	<u>975,355</u>	<u>976,968</u>	<u>1,613</u>
Expenditures:				
Current -				
Public safety	1,333,031	636,699	624,122	5,227
Capital outlay	650,000	968,000	7,341	9
Total expenditures	<u>1,333,031</u>	<u>636,699</u>	<u>631,463</u>	<u>5,236</u>
Net change in fund balance	(419,831)	338,656	345,505	6,849
Fund balance, beginning	<u>4,094,658</u>	<u>4,094,658</u>	<u>4,094,658</u>	<u>-</u>
Fund balance, ending	<u>\$3,674,827</u>	<u>\$4,433,314</u>	<u>\$4,440,163</u>	<u>\$ 6,849</u>

ACADIA PARISH COMMUNICATIONS DISTRICT
Crowley, Louisiana

Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2019*

Year Ended December 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	0.0101%	\$ 2,754	\$ 57,000	4.8228%	99.15%
2016	0.0099%	26,168	57,000	45.9088%	92.23%
2017	0.0096%	19,794	57,000	34.7263%	94.15%
2018	0.0093%	(6,874)	57,000	-12.0596%	101.98%
2019	0.9828%	43,620	60,420	72.2%	88.86%

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

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

ACADIA PARISH COMMUNICATIONS DISTRICT
Crowley, Louisiana

Schedule of Employer Pension Contributions
For the Year Ended December 31, 2019

<u>Year Ended December 31,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractual Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2015	\$ 8,265	\$ 8,265	\$ -	\$ 57,000	14.50%
2016	7,410	7,410	-	57,000	13.00%
2017	7,125	7,125	-	57,000	12.50%
2018	6,948	6,948	-	60,420	11.50%
2019	7,087	7,087	-	61,624	11.50%

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

ACADIA PARISH COMMUNICATIONS DISTRICT
Crowley, Louisiana

Notes to Required Supplementary Information

(1) Budgetary and Budgetary Accounting

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

- a. A proposed budget is prepared and submitted to the District for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
- b. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
- d. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
- e. All budgetary appropriations lapse at the end of each fiscal year.
- f. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the District. Such amendments were not material in relation to the original appropriations.

(2) Pension Plan – Parochial Employees’ Retirement System

Changes of Assumptions – Changes of assumptions about future economic demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension 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.

**OTHER SUPPLEMENTARY
INFORMATION**

ACADIA PARISH COMMUNICATIONS DISTRICT
Crowley, Louisiana

Comparative Statement of Net Position
For the Years Ended December 31, 2019 and 2018

	Governmental Activities	
	2019	2018
ASSETS		
Current assets:		
Cash	\$ 3,642,039	\$ 3,357,973
Certificate of deposits	672,860	671,505
Accounts receivable	194,110	139,957
Prepaid expenses	11,659	9,912
Total current assets	4,520,668	4,179,347
Noncurrent assets:		
Net pension asset	-	6,874
Capital assets, net	707,443	746,401
Total noncurrent assets	5,228,111	4,932,622
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	39,094	15,624
LIABILITIES		
Current liabilities:		
Accounts payable	15,272	2,823
Compensated absences	889	870
Due to other governmental agencies	65,233	81,866
Total current liabilities	81,394	85,559
Noncurrent liabilities:		
Compensated absences	13,333	13,073
Net pension liability	43,620	-
Total noncurrent liabilities	56,953	13,073
Total liabilities	138,347	98,632
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	2,734	20,595
NET POSITION		
Net investment in capital assets	707,443	746,401
Restricted - capital grant	2,264	2,264
Unrestricted	4,416,417	4,080,354
TOTAL NET POSITION	\$ 5,126,124	\$ 4,829,019

ACADIA PARISH COMMUNICATIONS DISTRICT
Crowley, Louisiana

Comparative Balance Sheet - General Fund
December 31, 2019 and 2018

	2019	2018
ASSETS		
Cash	\$ 3,642,039	\$ 3,357,973
Certificate of deposit	672,860	671,505
Accounts receivable	194,110	139,957
Prepaid insurance	11,659	9,912
Total assets	\$ 4,520,668	\$ 4,179,347
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 15,272	\$ 2,823
Due to other governmental agencies	65,233	81,866
Total liabilities	80,505	84,689
Fund balances:		
Nonspendable - prepaid insurance	11,659	9,912
Restricted - capital grant	2,264	2,264
Assigned - training and equipment	50,574	54,721
Unassigned	4,375,666	4,027,761
Total fund balances	4,440,163	4,094,658
Total liabilities and fund balances	\$ 4,520,668	\$ 4,179,347

ACADIA PARISH COMMUNICATIONS DISTRICT
Crowley, Louisiana

Budgetary Comparison Schedule - General Fund
For the Year Ended December 31, 2019
With Comparative Actual Balances for the Year Ended December 31, 2018

	2019			Variance with Final Budget Positive (Negative)	2018 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Franchise taxes	\$ 910,000	\$ 968,000	\$ 968,202	\$ 202	\$ 990,901
Investment earnings	3,000	7,255	8,666	1,411	4,664
Miscellaneous revenues	200	100	100	-	125
Total revenues	<u>913,200</u>	<u>975,355</u>	<u>976,968</u>	<u>1,613</u>	<u>995,690</u>
Expenditures:					
Current -					
Public safety:					
Administrative fees	-	8,000	8,080	(80)	8,204
Personnel costs	94,304	94,454	94,396	58	89,870
Communications	9,000	8,360	8,658	(298)	7,718
Contract services	262,500	266,300	262,919	3,381	232,333
Equipment and maintenance	50,000	17,786	18,075	(289)	22,720
Insurance	19,000	19,984	18,239	1,745	15,846
Lease - Copier	1,500	1,474	1,594	(120)	1,469
Lease - 911 equipment	44,000	58,032	57,478	554	59,246
Lease - recorder and radio	38,000	39,241	39,080	161	39,215
Lease - 911 line service	40,000	50,144	50,788	(644)	50,795
Lease - telephone equipment	4,000	2,285	1,768	517	3,247
Office supplies and copying	5,000	2,032	2,239	(207)	1,439
Postage, printing, and publishing	1,700	1,700	1,625	75	999
Professional fees	20,000	17,550	17,550	-	18,250
Public relations and recognition	2,000	760	761	(1)	720
Repairs and maintenance	40,000	4,750	4,765	(15)	6,322
Road signs and maintenance	7,000	6,742	6,742	-	6,396
Training, dues, and subscriptions	9,500	6,882	6,549	333	10,592
Transportation	8,027	1,257	1,257	-	2,442
Utilities	15,000	12,685	12,542	143	13,649
Other	11,500	8,931	9,017	(86)	9,382
Total public safety	<u>682,031</u>	<u>629,349</u>	<u>624,122</u>	<u>5,227</u>	<u>600,854</u>
Capital outlay	<u>650,000</u>	<u>7,350</u>	<u>7,341</u>	<u>9</u>	<u>37,854</u>
Total expenditures	<u>1,332,031</u>	<u>636,699</u>	<u>631,463</u>	<u>5,236</u>	<u>638,708</u>
Net change in fund balance	(418,831)	338,656	345,505	6,849	356,982
Fund balance, beginning	<u>4,094,658</u>	<u>4,094,658</u>	<u>4,094,658</u>	<u>-</u>	<u>3,737,676</u>
Fund balance, ending	<u>\$ 3,675,827</u>	<u>\$ 4,433,314</u>	<u>\$ 4,440,163</u>	<u>\$ 6,849</u>	<u>\$ 4,094,658</u>

**INTERNAL CONTROL, COMPLIANCE,
AND OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Commissioners
Acadia Parish Communications District
Crowley, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Acadia Parish Communication District (the District), a component unit of the Acadia Parish Police Jury as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 30, 2020.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan, we identified a certain deficiency in internal control that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as item 2019-001 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

District's Response to Finding

The District's response to the finding identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

June 30, 2020
Lafayette, Louisiana

ACADIA PARISH COMMUNICATIONS DISTRICT
Crowley, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan

Part I. Current Year Findings and Management's Corrective Action Plan

A. Internal Control Findings -

2019-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

CONDITION: The District did not have adequate segregation of functions within the accounting system.

CRITERIA: The District should have a control policy according to which no person should be given responsibility for more than one related function.

CAUSE: Due to the size of the District, there are a small number of available employees.

EFFECT: The District has employees that are performing more than one related function.

RECOMMENDATION: The District should establish and monitor mitigating controls over functions that are not completely segregated.

MANAGEMENT'S CORRECTION ACTION PLAN: Due to the size of the operations and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

B. Compliance Findings -

There are no findings to report under this section.

Part II. Prior Year Findings

A. Internal Control Findings -

2018-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

CONDITION: The District did not have adequate segregation of functions within the accounting system.

RECOMMENDATION: The District should establish and monitor mitigating controls over functions that are not completely segregated.

CURRENT STATUS: Unresolved. See finding 2019-001.

B. Compliance Findings -

There are no findings to report under this section.

ACADIA PARISH COMMUNICATIONS DISTRICT
Crowley, Louisiana

Agreed-Upon Procedures Report

Year Ended December 31, 2019

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Victor R. Slaven, CPA* - retired 2020

* A Professional Accounting Corporation

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

We have performed the procedures enumerated below, which were agreed to by the Acadia Parish Communications District (District) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. Management of the District is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained and inspected the District's written policies and procedures and observed that they address each of the following categories and subcategories (if applicable to public funds and the District's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **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).
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the District's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in 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.

Board or Finance Committee

- 2. We obtained and inspected 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:
 - a) Observed 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.
 - b) Observed that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
 - c) Obtained the prior year audit report and observed the unrestricted fund balance in the General Fund. If the General Fund had a negative ending unrestricted fund balance in the prior year audit report, observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the General Fund.

Bank Reconciliations

- 3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. We asked management to identify the District's main operating account. We selected the District's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). We randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for selected accounts, and observed that:
 - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections

4. We obtained 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. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not 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.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. We randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (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). *Alternately, 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.* We obtained supporting documentation for each of the 10 deposits and:
 - a) Observed that receipts are sequentially pre-numbered.
 - b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Traced the deposit slip total to the actual deposit per the bank statement.
 - d) Observed 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).
 - e) Traced the actual deposit per the bank statement to the general ledger

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

(The following procedures were not performed since there were no exceptions in the prior year.)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing was complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 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, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) 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.
 - d) 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.
10. For each location selected under #8 above, obtain the District's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population was complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation includes evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

(The following procedures were not performed since there were no exceptions in the prior year.)

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-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.
12. 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:
 - a) Observe that 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) was reviewed and approved, in writing, by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 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 (i.e. each card should have 10 transactions subject to testing). 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)

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

(The following procedures were not performed since there were no exceptions in the prior year.)

14. 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, 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:
 - a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) 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 policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

(The following procedures were not performed since there were no exceptions in the prior year.)

15. 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. *Alternately, 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:
 - a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - d) 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.

Payroll and Personnel

(The following procedures were not performed since there were no exceptions in the prior year.)

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave

according to policy and/or contract, the official should document his/her daily attendance and leave.)

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the District's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums were paid, and associated forms were filed, by required deadlines.

Ethics

(The following procedures were not performed since there were no exceptions in the prior year.)

20. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials and obtain ethics documentation from management, and:
- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the District's ethics policy during the fiscal period.

Debt Service

(The following procedures were not performed since there were no exceptions in the prior year.)

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. 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.

Other

(The following procedures were not performed since there were no exceptions in the prior year.)

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing was complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the District reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the District is domiciled.
24. Observe that the District 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.

Exceptions:

No exceptions were found as a result of applying the procedures listed above except:

Written Policies and Procedures:

1. The District does not have written policies and procedures regarding the standard terms and conditions of contracts, legal review of contracts, allowable travel and expense reimbursements, monitoring possible ethics violations, and Disaster Recovery/Business Continuity.

Management's response: The District will update their policies and procedures to address the categories specified above.

Board or Finance Committee:

2. Of the four Board meetings that occurred during the year, Board minutes do not reference budget to actual comparisons.

Management's response: The District will implement a policy requiring the Board to review the budget to actual comparison at each Board meeting.

Bank Reconciliations:

3. Of the two accounts selected for testing, one account had no evidence of researching items outstanding greater than twelve months.

Management's response: The District will implement a policy requiring management to research reconciling items that have been outstanding for more than 12 months from the statement closing date.

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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
June 30, 2020