
ACADIA PARISH COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF THE ACADIA PARISH POLICE JURY
CROWLEY, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017



Postlethwaite & Netterville

A Professional Accounting Corporation

www.pncpa.com

ACADIA PARISH COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF THE ACADIA PARISH POLICE JURY
CROWLEY, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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A COMPONENT UNIT OF THE ACADIA PARISH POLICE JURY

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INDEPENDENT AUDITORS' REPORT

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 ended December 31, 2017, 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.

Auditors' 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major fund of the Acadia Parish Communications District as of December 31, 2017, and the respective change in financial position 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 management's discussion and analysis on pages 3 through 7, budgetary comparison information on page 32, the schedule of proportionate share of the net pension liability on page 33, and the schedule of contributions to defined benefit pension plan on page 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary 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 Schedule of Compensation, Benefits, and Other Payments to the Director is presented for purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to the Director is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 29, 2018 on our consideration of the District's internal control over financial reporting and 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 the District's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Lafayette, Louisiana
June 29, 2018

ACADIA PARISH COMMUNICATIONS DISTRICT
CROWLEY, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2017

This section of the Acadia Parish Communications District (the District) financial report presents a discussion and analysis of the District's financial performance during the year ended December 31, 2017. Please read it in conjunction with the District's financial statements, which follow this section.

I. FINANCIAL HIGHLIGHTS

Acadia Parish Communications District's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of the year by \$4,474,053. Of this amount, \$750,275 was the net investment in capital assets, \$2,264 was restricted, and \$3,721,514 was unrestricted.

The unrestricted portion may be used to meet the District's ongoing obligations and operational needs. Total expenses of Acadia Parish Communications District's governmental activities were \$571,167 for the year.

Total program revenues were \$914,550 for the year and total general revenues were \$5,726 for the year.

II. USING THE BASIC FINANCIAL STATEMENTS

This report consists of a series of financial statements. The government-wide financial statements (pages 8 through 10) provide information about Acadia Parish Communications District's activities as a whole and present a longer-term view of Acadia Parish Communications District's finances. Fund financial statements start on page 11. These statements tell how the services were financed in the short-term as well as what remains for future spending.

A. REPORTING ACADIA PARISH COMMUNICATIONS DISTRICT AS A WHOLE

Government-Wide Financial Statements

The government-wide financial statements report information about Acadia Parish Communications District's net position and how they have changed. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statements, regardless of when cash is received or paid.

These statements report Acadia Parish Communications District's net position and the changes in them. The net position, the difference between the assets plus deferred outflows and the liabilities plus deferred inflows, is one way to measure the District's financial position or financial health. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating.

ACADIA PARISH COMMUNICATIONS DISTRICT
CROWLEY, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2017

B. REPORTING ACADIA PARISH COMMUNICATIONS DISTRICT MOST SIGNIFICANT FUNDS

Fund Financial Statements

The focus of the fund financial statements is directed to specific activities of the Acadia Parish Communications District rather than the District as a whole. Specific funds are established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Acadia Parish Communications District, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Fund

All of the Acadia Parish Communications District's activities are reported in a governmental fund, which is used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements. The basic governmental fund financial statements are located on pages 11 through 14 of this report.

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 in the fund financial statements 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. Following both the Balance Sheet - Governmental Fund (page 11) and the Statement of Revenues, Expenditures, and Change in Fund Balance - Governmental Fund (page 13) are reconciliations to facilitate this comparison between the governmental fund and governmental activities (pages 12 and 14).

The Acadia Parish Communications District maintains one governmental fund, the General Fund, which is considered to be a major fund.

The Acadia Parish Communications District adopts an annual appropriated budget for the General Fund. During the course of the year, this budget is amended to take into consideration changes that have occurred affecting revenues and expenditures. A budgetary comparison schedule showing the originally adopted budget and the final amended budget compared with actual operating results is provided in the required supplementary information section for the General Fund (page 32) to demonstrate compliance with this budget.

Additional schedules required by GASB No. 68, *Accounting and Financial Reporting for Pensions*, are included on pages 33 and 34.

ACADIA PARISH COMMUNICATIONS DISTRICT
CROWLEY, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2017

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements and can be found on pages 15 - 31.

III. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Acadia Parish Communications District's total net position increased in the current year from \$4,124,944 to \$4,474,053. The following table reflects the condensed statement of net position as of December 31, 2017, with comparative figures from 2016:

TABLE 1
CONDENSED STATEMENTS OF NET POSITION
DECEMBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets and Deferred Outflows:		
Cash and Certificates of Deposit	\$ 3,552,359	\$ 3,272,089
Capital assets	750,275	788,322
Other	203,438	135,189
Deferred outflows	<u>26,329</u>	<u>37,354</u>
Total assets and deferred outflows	<u>\$ 4,532,401</u>	<u>\$ 4,232,954</u>
Liabilities and Deferred Inflows:		
Accounts payable and other liabilities	\$ 18,121	\$ 64,166
Long-term liabilities	32,948	39,322
Deferred inflows	<u>7,279</u>	<u>4,522</u>
Total liabilities and deferred inflows	<u>58,348</u>	<u>108,010</u>
Net position:		
Net investments in capital assets	750,275	788,322
Restricted	2,264	2,264
Unrestricted	<u>3,721,514</u>	<u>3,334,358</u>
Total net position	<u>4,474,053</u>	<u>4,124,944</u>
Total liabilities, deferred inflows, and net position	<u>\$ 4,532,401</u>	<u>\$ 4,232,954</u>

The net position of Acadia Parish Communications District's governmental activities increased by \$349,109 or 8.5% from 2016 to 2017. Unrestricted net position, the part of net position that can be used to finance Acadia Parish Communications District's expenses without constraints or other legal requirements, increased \$387,156 or 11.6% from 2016 to 2017.

ACADIA PARISH COMMUNICATIONS DISTRICT
CROWLEY, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2017

The following table provides a summary of the changes in net position for the year ended December 31, 2017, with comparative figures from 2016:

TABLE 2
CONDENSED STATEMENT OF CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues:		
Program revenues -		
Fees and charges for services	\$ 914,550	\$ 673,012
General revenues -		
Investment earnings	4,334	4,037
Loss on disposal of capital assets	(118)	(60)
Miscellaneous revenues	<u>1,510</u>	<u>1,331</u>
Total revenues	<u>920,276</u>	<u>678,320</u>
Expenses:		
Public safety	<u>571,167</u>	<u>566,907</u>
Total expenses	<u>571,167</u>	<u>566,907</u>
Increase in net position	<u>\$ 349,109</u>	<u>\$ 111,413</u>

During the fiscal year ended December 31, 2017, fees and charges for services increased \$241,538 or approximately 35.9%, primarily due to an increase in telephone surcharge rates effective February 1, 2017. Expenses increased by \$4,260 or approximately 0.8%.

IV. FINANCIAL ANALYSIS OF THE FUND

The fund balance of Acadia Parish Communications District's governmental fund increased by \$394,564 or 11.8% from 2016 to 2017. Unassigned fund balance, the part of fund balance that can be used to finance Acadia Parish Communications District's expenses without constraints or other legal requirements, increased \$398,545 or 12.2% from 2016 to 2017. Total fund balance of the general fund was \$3,737,676 as of December 31, 2017, approximately 712% of annual expenditures. Much of the current year increase is attributable to the telephone surcharge rate increases noted above.

ACADIA PARISH COMMUNICATIONS DISTRICT
CROWLEY, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2017

V. GENERAL FUND BUDGETARY HIGHLIGHTS

The Acadia Parish Communications District's General Fund budget was revised once during the 2017 fiscal year to more accurately reflect operations. Actual revenues were lower than final budgeted revenues by \$8,491 and actual expenditures were \$8,169 less than final budgeted expenditures.

The net change in fund balance of the General Fund for the year ended December 31, 2017 of \$394,564 was \$322 less than the anticipated (final budgeted) increase.

VI. CAPITAL ASSETS

At the end of 2017, Acadia Parish Communications District had \$750,275 (net of accumulated depreciation) invested in capital assets. This amount represents a net decrease of \$38,047 or 4.8% from 2016.

	2017	2016
Land	\$ 54,000	\$ 54,000
Buildings and improvements	628,596	650,921
Equipment	67,679	83,401
Total capital assets	\$ 750,275	\$ 788,322

During the year, \$5,161 of capital assets were placed into service. There was \$7,626 in disposals which yielded a \$118 loss on disposal of assets. Depreciation expense for the year ended December 31, 2017 was \$43,090.

VII. LONG-TERM DEBT

Obligations include accrued compensated absences payable with a balance at December 31, 2017 of \$13,154, and the net pension liability with a balance of \$19,794.

VIII. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The 2018 budget was prepared based on 2017 results with adjustments for expected increases or decreases in revenues and expenditures. Overall, revenues are expected to remain fairly consistent with the prior year. Expenditures are expected to increase based on anticipated equipment purchases during 2018.

IX. CONTACTING THE ACADIA PARISH COMMUNICATIONS DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the fund maintained by Acadia Parish Communications District and to show Acadia Parish Communications District's accountability for the monies it receives. If you have any questions or need additional financial information, contact Mary Richard, Director, at Post Office Box 1273, Crowley, Louisiana 70527, (337) 788-8770.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

ACADIA PARISH COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF THE ACADIA PARISH POLICE JURY

STATEMENT OF NET POSITION
December 31, 2017

ASSETS AND DEFERRED OUTFLOWS

ASSETS

Cash	\$ 2,880,854
Certificates of deposit	671,505
Accounts receivable	194,672
Prepaid insurance	8,766
Capital assets, net of accumulated depreciation	<u>750,275</u>
Total assets	<u>4,506,072</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred amounts related to net pension liability	<u>26,329</u>
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TOTAL ASSETS AND DEFERRED OUTFLOWS

\$ 4,532,401

See accompanying notes to financial statements.

ACADIA PARISH COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF THE ACADIA PARISH POLICE JURY

STATEMENT OF NET POSITION
December 31, 2017

LIABILITIES, DEFERRED INFLOWS, AND NET POSITION

LIABILITIES

Accounts payable	\$ 3,121
Due to other governmental agencies	15,000
Long-term liabilities due within one year	822
Long-term liabilities due in more than one year	32,126
Total liabilities	<u>51,069</u>

DEFERRED INFLOWS OF RESOURCES

Deferred amounts related to net pension liability	<u>7,279</u>
---	--------------

NET POSITION

Net investment in capital assets	750,275
Restricted for:	
Other purposes	2,264
Unrestricted	3,721,514
Total net position	<u>4,474,053</u>

**TOTAL LIABILITIES, DEFERRED INFLOWS,
AND NET POSITION**

\$ 4,532,401

See accompanying notes to financial statements.

ACADIA PARISH COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF THE ACADIA PARISH POLICE JURY

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues Fees and Charges for Services</u>	<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
Governmental activities			
Public safety	\$ 571,167	\$ 914,550	\$ 343,383
Total governmental activities	\$ 571,167	\$ 914,550	343,383
General Revenues			
Investment earnings			4,334
Miscellaneous revenues			1,510
Loss on disposal of capital assets			(118)
Total general revenues			5,726
Change in net position			349,109
Net position, beginning of year			4,124,944
Net position, end of year			\$ 4,474,053

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

ACADIA PARISH COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF THE ACADIA PARISH POLICE JURY

BALANCE SHEET
GOVERNMENTAL FUND
December 31, 2017

		<u>General Fund</u>
ASSETS		
Cash	\$	2,880,854
Certificates of deposit		671,505
Accounts receivable		194,672
Prepaid insurance		8,766
		<hr/>
Total assets	\$	<u>3,755,797</u>
LIABILITIES		
Accounts payable	\$	3,121
Due to other governmental agencies		15,000
		<hr/>
Total liabilities		<u>18,121</u>
FUND BALANCES		
Nonspendable amounts -		
Prepaid insurance		8,766
Restricted for -		
Purpose of grantor		2,264
Assigned to -		
Training and equipment		62,041
Unassigned		3,664,605
		<hr/>
Total fund balances		<u>3,737,676</u>
Total Liabilities and Fund Balances	\$	<u>3,755,797</u>

See accompanying notes to financial statements.

ACADIA PARISH COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF THE ACADIA PARISH POLICE JURY

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
For the Year Ended December 31, 2017

Total fund balances - governmental fund	\$	3,737,676
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.		
Capital assets, net		750,275
Net pension liability balances in accordance with GASB 68:		
Deferred outflow of resources - deferred pension contributions		7,125
Deferred outflow of resources - related to net pension liability		19,204
Net pension liability		(19,794)
Deferred inflow of resources - related to net pension liability		(7,279)
Accrued compensated absences are not due and payable in the current period and are therefore not reported in the governmental funds.		
		<u>(13,154)</u>
Net position - governmental activities	\$	<u><u>4,474,053</u></u>

See accompanying notes to financial statements.

ACADIA PARISH COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF THE ACADIA PARISH POLICE JURY

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE
GOVERNMENTAL FUND

For the Year Ended December 31, 2017

	<u>General</u> <u>Fund</u>
REVENUES	
Charges for services	\$ 914,550
Investment earnings	4,334
Miscellaneous revenues	800
	<hr/>
Total revenues	919,684
	<hr/>
EXPENDITURES	
Current -	
Public safety	519,959
Capital outlay	5,161
	<hr/>
Total expenditures	525,120
	<hr/>
Net change in fund balance	394,564
	<hr/>
Fund balance, beginning	3,343,112
	<hr/>
Fund balance, ending	\$ <u>3,737,676</u>

See accompanying notes to financial statements.

ACADIA PARISH COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF THE ACADIA PARISH POLICE JURY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE OF GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

Net change in fund balances - total governmental fund	\$	394,564
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	\$	5,161
Depreciation expense		(43,090)
Loss on disposal of capital assets		(118)
		(38,047)
Change in net pension liability and deferred inflows and outflows in accordance with GASB No. 68.		(7,408)
Change in net position of governmental activities	\$	349,109

See accompanying notes to financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

ACADIA PARISH COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF THE ACADIA PARISH POLICE JURY
CROWLEY, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The financial statements of the Acadia Parish Communications District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP). The *Governmental Accounting Standards Board* (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the District's accounting policies are described below.

Reporting Entity

The 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.

Basis of Presentation

The District's financial statements consist of the government-wide statements and the fund financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units and promulgated by the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*. The government-wide financial statements follow the guidance included in GASB Statement No. 62 – *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

Government-Wide Financial Statements

The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability has been incurred, regardless of the timing of the related cash flows. The effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges collected from phone and communication companies, and these revenues are recorded in the period in which they are collected by the companies. Interest and other items not properly included among program revenues are reported instead as general revenues.

ACADIA PARISH COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF THE ACADIA PARISH POLICE JURY
CROWLEY, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

Fund Financial Statements

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

The fund of the District is classified as a governmental fund, used to account for the District's primary activities, including the collection and disbursement of specific or legally restricted monies and for operations. The District reports the following major governmental fund:

General Fund - This is the primary operating fund of the District. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in fund balance.

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the District's fund. All annual appropriations lapse at fiscal yearend.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

ACADIA PARISH COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF THE ACADIA PARISH POLICE JURY
CROWLEY, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-Wide Financial Statements

The District's capital assets with useful lives of more than one year are stated at historical costs and comprehensively reported in the government-wide financial statements. The District maintains a threshold level of \$500 for capitalizing assets. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. The range of estimated useful lives by type of assets is as follows:

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

Fund Financial Statements

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

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 annual leave to the date of separation, not to exceed 20 days, provided, in the case of resignation, he has completed 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 Board intends to pay the above accumulated unpaid sick leave upon separation.

ACADIA PARISH COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF THE ACADIA PARISH POLICE JURY
CROWLEY, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

In the government-wide fund statements, the District accrues accumulated unpaid sick leave when earned (or estimated to be earned) by the employee. The current portion is the amount estimated to be used/paid in the following year. The remainder is reported as non-current.

Net Position and Fund Balance Classifications

Government-Wide Financial Statements

Net Position is classified in three components:

- 1) Net investment in capital assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, certificates of indebtedness, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- 2) 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, and (2) law through constitutional provisions or enabling legislation.
- 3) Unrestricted net position - All other net position that does not meet the definition of "net investment in capital assets" or "restricted."

The government-wide statement of net position reports \$2,264 of restricted net position, none of which is restricted by enabling legislation.

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, the Commission reduces restricted amounts first, followed by unrestricted amounts.

Fund Financial Statements

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below in accordance with Governmental Accounting Standards Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

1. Nonspendable - represents balances that are not expected to be converted to cash in the short-term;
2. Spendable
 - o Restricted - represent balances where constraints have been established by parties outside of the Commission or by enabling legislation.
 - o Committed - represent balances where constraints have been established by formal action of the Commission. A simple majority vote in a public meeting is required to establish, modify, or rescind a fund balance commitment.

ACADIA PARISH COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF THE ACADIA PARISH POLICE JURY
CROWLEY, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Fund Financial Statements (continued)

- Assigned - represent balances where informal constraints have been established by the Commission or delegate thereof, but are not restricted nor committed.
- Unassigned - represent balances for which there are no constraints.

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, the Commission reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned, and unassigned amounts are available, the Commission reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

Investments

State statutes authorize the District to invest in United States bonds, treasury notes, or certificates and time deposits of state banks having their principal office in the State of Louisiana.

The District's investments at December 31, 2017 consisted of time certificates of deposit purchased from local financial institutions. These certificates are not subject to GASB Statement No. 31 requirements; thus they are stated at cost. All certificates have original maturities of one year or less.

Cash and Cash Equivalents

Cash includes amounts in demand deposits and on hand. The District considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The District had no cash equivalents at December 31, 2017.

Pension Plan

The Acadia Parish Communications District is a participating employer in a defined benefit pension plans as described in Note 3. For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to the pension, pension expense, information about the fiduciary net position of the plan, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

ACADIA PARISH COMMUNICATIONS DISTRICT
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CROWLEY, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

2. Deposits With Financial Institutions and Investments

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is to ensure there is no exposure to this risk and to require each financial institution to pledge their own securities to cover any amount in excess of Federal Depository Insurance Coverage. These securities are held in the District's name.

At December 31, 2017, the carrying amount of demand deposit accounts was \$2,880,854. The bank balance was \$2,901,598. Certificates of deposit are included in the balance sheet with a balance totaling \$671,505. These balances are secured by federal deposit insurance or collateralized by pledged securities held in the District's name. Accordingly, the District had no custodial credit risk related to its deposits at December 31, 2017.

3. Defined Benefit Pension Plan

The Acadia Parish Communications District (the District) is a participating employer in a cost-sharing defined benefit pension plan. The plan is administered by a public employee retirement system, the Parochial Employees' Retirement System of Louisiana (PERS). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of the plan to the State Legislature. The system is administered by a separate board of trustees and the System is a component unit of the State of Louisiana.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. These reports may be obtained by writing, calling or downloading the reports as follows:

PERS:
7905 Wrenwood Blvd.
Baton Rouge, Louisiana 70809
(225) 928-1361
www.persla.org

The District follows Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB 68. These standards require the District to record its proportional share of the pension plan Net Pension Liability and report the following disclosures:

ACADIA PARISH COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF THE ACADIA PARISH POLICE JURY
CROWLEY, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

3. Defined Benefit Pension Plan (continued)

Plan Description:

Parochial Employees' Retirement System of Louisiana (PERS)

Parochial Employees' Retirement System of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established and provided for by R.S.11:1901 of the Louisiana Revised Statute (LRS). The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elects to become members of the system. 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.

For employees hired after January 1, 2007:

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

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

ACADIA PARISH COMMUNICATIONS DISTRICT
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CROWLEY, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

3. Defined Benefit Pension Plan (continued)

Retirement Benefits: (continued)

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.

Deferred Retirement Option Plan:

In lieu of terminating employment and accepting a service retirement, any member of Plan A who is eligible to retire may elect to participate in the Deferred Retirement Option Plan (DROP) in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

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.

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.

ACADIA PARISH COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF THE ACADIA PARISH POLICE JURY
CROWLEY, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

3. Defined Benefit Pension Plan (continued)

Disability Benefits:

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty.

Funding Policy

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority 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 (PRSAC).

Contributions to the plan are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended December 31, 2017, for the District and covered employees were as follows:

	District	Employees
Parochial Employees' Retirement System of Louisiana- Plan A	13.00% (through June 30, 2017) 12.50% (beginning July 1, 2017)	9.50%

The contributions made to the System for the past three fiscal years, which equaled the required contributions for each of these years, were as follows:

	December 31,		
	2017	2016	2015
Primary Government Governmental Activities:			
Parochial Employees' Retirement System of Louisiana-Plan A	\$ 7,125	\$ 7,410	\$ 8,265

ACADIA PARISH COMMUNICATIONS DISTRICT
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CROWLEY, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

3. Defined Benefit Pension Plan (continued)

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

The following schedule lists the District's proportionate share of the Net Pension Liability allocated by the pension plan based on the December 31, 2016 measurement date. The District uses this measurement to record its Net Pension Liability and associated amounts as of December 31, 2017 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at December 31, 2016 along with the change compared to the December 31, 2015 rate. The proportion of the Net Pension Liability was based on actual contributions to the pension plan relative to the actual contributions of all participating employers.

	Net Pension Liability at December 31, 2017	Employer Allocation Percentage at December 31, 2017	Increase (Decrease) to December 31, 2016 Rate
Primary Government Governmental Activities:			
Parochial Employees' Retirement System of Louisiana- Plan A	\$ 19,794	0.009611%	-.00033%

The following schedule lists the pension plan's recognized pension expense for the year ended December 31, 2017:

	<u>Total</u>
Primary Government Governmental Activities:	
Parochial Employees' Retirement System of Louisiana - Plan A	\$ 15,243

ACADIA PARISH COMMUNICATIONS DISTRICT
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NOTES TO FINANCIAL STATEMENTS

3. Defined Benefit Pension Plan (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

At December 31, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government		
Governmental Activities:		
Differences between expected and actual experience	\$ -	\$ (3,464)
Changes of assumptions	3,758	-
Net difference between projected and actual earnings on pension plan investments	15,361	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions		
Change in proportion	72	(3,761)
Difference in contributions	13	(54)
Employer contributions subsequent to the measurement date	7,125	-
Total	\$ 26,329	\$ (7,279)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

The District reported a total of \$7,125 as deferred outflow of resources related to pension contributions made subsequent to the measurement which will be recognized as a reduction in Net Pension Liability in the year ended December 31, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Primary Government Governmental Activities	
Deferral Period	PERS A
1	\$ 4,589
2	4,893
3	2,443
	\$ 11,925

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NOTES TO FINANCIAL STATEMENTS

3. Defined Benefit Pension Plan (continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability for the pension plan as of December 31, 2017 are as follows:

	PERS
Valuation Date	December 31, 2016
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Expected Remaining	
Service Lives	4 years for males, 3 years for females
Investment Rate	
of Return	7.00% net of investment expenses
Inflation Rate	2.50%
Mortality	Mortality rates based on RP-2000 Healthy Annuitant Sex Distinct Tables projected to 2031 using Scale AA were selected for annuitant and beneficiary mortality. For employees, the RP-2000 Employees Sex Distinct Tables set back 4 years for males and 3 years for females was selected. The RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females was selected for disabled annuitants.
Termination, Disability and Retirement	
Salary Increases	5.25%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

ACADIA PARISH COMMUNICATIONS DISTRICT
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CROWLEY, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

3. Defined Benefit Pension Plan (continued)

Actuarial Assumptions (continued)

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.66% as of the valuation date.

The following tables provide a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in the Retirement System target asset allocations as of the valuation date:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
	PERS	PERS
Equities	52.0%	3.63%
Fixed income	35.0%	1.24%
Alternatives	11.0%	0.67%
Real assets	2.0%	0.12%
Total	100.0%	5.66%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.66%

ACADIA PARISH COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF THE ACADIA PARISH POLICE JURY
CROWLEY, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

3. Defined Benefit Pension Plan (continued)

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for PERS was 7.00% for the year the retirement system's respective measurement period.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the District's proportionate share of the Net Pension Liability (NPL) using the discount rate of the Retirement System as well as what the District's proportionate share of the NPL 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 used by the Retirement System:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
PERS A			
Rates	6.00%	7.00%	8.00%
			\$
District's Share of NPL	\$ 59,212	\$ 19,794	(13,535)

Payables to the Pension Plan

The District recorded no accrued liabilities to the Retirement System at December 31, 2017. The amount due to the Retirement System was paid prior to year end and thus no liability is accrued at December 31, 2017.

ACADIA PARISH COMMUNICATIONS DISTRICT
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CROWLEY, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

4. Capital Assets

Capital assets activity for the year ended December 31, 2017 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 54,000	\$ -	\$ -	\$ 54,000
Total capital assets, not depreciated	<u>54,000</u>	<u>-</u>	<u>-</u>	<u>54,000</u>
Capital assets being depreciated				
Buildings and improvements	986,326	4,561	-	990,887
Equipment	<u>226,380</u>	<u>600</u>	<u>(7,626)</u>	<u>219,354</u>
Total capital assets, depreciated	<u>1,212,706</u>	<u>5,161</u>	<u>(7,626)</u>	<u>1,210,241</u>
Less accumulated depreciation for				
Buildings and improvements	(335,405)	(26,886)	-	(362,291)
Equipment	<u>(142,979)</u>	<u>(16,204)</u>	<u>7,508</u>	<u>(151,675)</u>
Total accumulated depreciation	<u>(478,384)</u>	<u>(43,090)</u>	<u>7,508</u>	<u>(513,966)</u>
Total capital assets being depreciated, net	<u>734,322</u>	<u>(37,929)</u>	<u>(118)</u>	<u>696,275</u>
Governmental activities capital assets, net	\$ <u>788,322</u>	\$ <u>(37,929)</u>	\$ <u>(118)</u>	\$ <u>750,275</u>

Depreciation expense for the year ended December 31, 2017 was charged as follows:

Public Safety \$ 43,090

5. Operating Leases

The District has a number of 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, 2017 was \$152,716.

ACADIA PARISH COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF THE ACADIA PARISH POLICE JURY
CROWLEY, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

6. Grant

In January 1995, the District received a grant in the amount of \$9,500 through the Acadia Parish Police Jury from the Department of Federal Emergency Management Assistance which was passed through the Louisiana Department of Military Affairs. This grant was for an amateur radio program to be used as a replacement in case of emergencies. The District has had no expenditures in connection with this grant since expending \$7,236 in prior years, leaving a balance of \$2,264 which is restricted.

7. Long-Term Liabilities

The following is a recap of the activity of the District's long-term liabilities for the year ending December 31, 2017.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Other liabilities -					
Accrued compensated absences	\$ 13,154	\$ -	\$ -	\$ 13,154	\$ 822
Net pension liability	<u>26,168</u>	<u>-</u>	<u>(6,374)</u>	<u>19,794</u>	<u>-</u>
Total governmental activities liabilities	\$ <u>39,322</u>	\$ <u>-</u>	\$ <u>(6,374)</u>	\$ <u>32,948</u>	\$ <u>822</u>

The District plans to liquidate compensated absences through its General Fund.

8. Risk Management

The District is exposed to various risks of loss related to torts; theft or destruction of assets; errors and omissions; and natural disasters. The District purchases commercial insurance to cover any claims related to these risks.

9. Budgets and Budgetary Accounting

The Acadia Parish Communications District uses the following procedures in establishing the budgetary data reflected in the financial statements:

- 1) The District prepares a proposed operating budget each November for the fiscal year commencing January 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) Budgets are adopted by the Board on a basis consistent with generally accepted accounting principles (GAAP).

ACADIA PARISH COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF THE ACADIA PARISH POLICE JURY
CROWLEY, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

9. Budgets and Budgetary Accounting (continued)

- 3) The budget is employed as a management control device during the year that assists its users in financial activity analysis.

All budget appropriations lapse at year-end. The budgets presented are the originally adopted budget and the final budget.

REQUIRED SUPPLEMENTARY INFORMATION

ACADIA PARISH COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF THE ACADIA PARISH POLICE JURY

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 924,350	\$ 924,350	\$ 914,550	\$ (9,800)
Investment earnings	3,625	3,625	4,334	709
Miscellaneous revenues	200	200	800	600
Total revenues	<u>928,175</u>	<u>928,175</u>	<u>919,684</u>	<u>(8,491)</u>
EXPENDITURES				
Current -				
Public safety				
Administrative fees	-	-	8,731	(8,731)
Personnel costs	88,727	84,583	84,076	507
Communications	9,000	6,524	6,523	1
Contract services	170,000	172,000	184,567	(12,567)
Insurance	15,000	15,028	14,537	491
Office supplies and copying	7,500	6,916	4,291	2,625
Utilities	15,000	14,000	14,804	(804)
Training, dues, and subscriptions	9,500	9,700	5,067	4,633
Postage, printing, and publishing	1,500	1,315	1,165	150
Public relations and recognition	2,000	1,585	893	692
Repairs and maintenance	40,000	16,681	2,118	14,563
Transportation	35,000	1,115	1,070	45
Wireless - Phase I	2,500	-	-	-
Professional fees	13,000	11,750	11,750	-
911 equipment lease	58,300	58,300	58,272	28
Recorder/radio lease	51,200	51,200	51,120	80
911 line service	42,500	39,634	39,633	1
Equipment and maintenance	69,000	32,993	25,171	7,822
Road Signs and Materials	7,000	7,000	1,576	5,424
Other	16,627	2,965	4,595	(1,630)
Capital outlay	-	-	5,161	(5,161)
Total expenditures	<u>653,354</u>	<u>533,289</u>	<u>525,120</u>	<u>8,169</u>
Net change in fund balance	274,821	394,886	394,564	(322)
Fund balance, beginning	<u>2,819,692</u>	<u>2,819,692</u>	<u>3,343,112</u>	<u>523,420</u>
Fund balance, ending	<u>\$ 3,094,513</u>	<u>\$ 3,214,578</u>	<u>\$ 3,737,676</u>	<u>\$ 523,098</u>

See independent auditors' report.

ACADIA PARISH COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF THE ACADIA PARISH POLICE JURY

SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
For the Year Ended December 31, 2017 (*)

<u>Pension Plan</u>	<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered-Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
Parochial Employees' Retirement System of Louisiana						
	2017	0.0096%	\$ 19,794	\$ 57,000	34.7263%	94.15%
	2016	0.0099%	26,168	57,000	45.9088%	92.23%
	2015	0.0101%	2,754	57,000	48.2280%	99.15%

See independent auditors' report.

ACADIA PARISH COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF THE ACADIA PARISH POLICE JURY

SCHEDULE OF CONTRIBUTIONS TO
DEFINED BENEFIT PENSION PLAN
For the Year Ended December 31, 2017

<u>Pension Plan:</u>	<u>Year</u>	<u>Contractually Required Contribution¹</u>	<u>Contributions in Relation to Contractually Required Contribution²</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll³</u>	<u>Contributions as a % of Covered Employee Payroll</u>
Parochial Employees' Retirement System of Louisiana						
	2017	\$ 7,125	\$ 7,125	\$ -	\$ 57,000	12.50%
	2016	7,410	7,410	-	57,000	13.00%
	2015	8,265	8,265	-	57,000	14.50%

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

For reference only:

¹ *Employer contribution rate multiplied by employer's covered employee payroll*

² *Actual employer contributions remitted to retirement system*

³ *Employer's covered employee payroll amount*

See independent auditors' report.

OTHER SUPPLEMENTARY INFORMATION

ACADIA PARISH COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF THE ACADIA PARISH POLICE JURY

SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO DIRECTOR
For the Year Ended December 31, 2017

Director: Mary Richard

Purpose	Amount
Salary	\$ 57,000
Benefits-insurance	17,490
Benefits-retirement	7,125
Cell phone	1,010
Dues	257
Reimbursements	2,552
Registration fees	599
TOTAL	\$ 86,033

See independent auditors' report.

OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS

**INDEPENDENT AUDITORS' 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 Honorable Wayne Melancon
And the Board of Commissioners of the
Acadia Parish Communications District

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 Communications District (the District), a component unit of the Acadia Parish Police Jury, as of and for the year ended December 31, 2017, 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 29, 2018.

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.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses at 2017-1, that we consider to be a material weakness.

Compliance and Other Matters

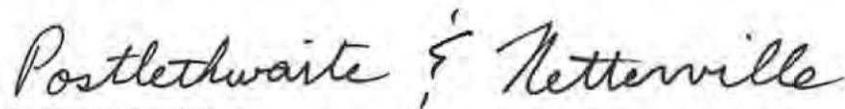
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

District's Response to Finding

The District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Lafayette, Louisiana
June 29, 2018

ACADIA PARISH COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF THE ACADIA PARISH POLICE JURY
CROWLEY, LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES

Year Ended December 31, 2017

FINDINGS – FINANCIAL STATEMENT AUDIT

2017-1 Segregation of Duties

<u>Criteria:</u>	Internal control over financial reporting should include policies and procedures that ensure that controls over the accounting function are segregated to serve as a check and balance.
<u>Cause:</u>	Due to the limited number of people working for the District, many of the critical duties are combined and assigned to one employee. Presently, this single individual performs the majority of the accounting functions.
<u>Condition:</u>	During our audit we noted that a single individual reconciles bank accounts, performs all payroll duties, collects cash and makes deposits, and maintains the general ledger.
<u>Effect:</u>	The lack of segregation of duties in the accounting function constitutes a material weakness in their internal control over financial reporting.
<u>Recommendation:</u>	Keeping in mind the limited number of employees to which duties can be assigned, the District should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

View of Responsible Official and Planned Corrective Action:

Management has provided as much segregation of duties as possible with the resources available.

ACADIA PARISH COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF THE ACADIA PARISH POLICE JURY
CROWLEY, LOUISIANA

SCHEDULE OF PRIOR AUDIT FINDINGS AND RESPONSES

Year Ended December 31, 2016

FINDINGS – PRIOR FINANCIAL STATEMENT AUDIT

2016-1 Segregation of Duties

<u>Criteria:</u>	Internal control over financial reporting should include policies and procedures that ensure that controls over the accounting function are segregated to serve as a check and balance.
<u>Cause:</u>	Due to the limited number of people working for the District, many of the critical duties are combined and assigned to one employee. Presently, this single individual performs the majority of the accounting functions.
<u>Condition:</u>	During our audit we noted that a single individual reconciles bank accounts, performs all payroll duties, and maintains the general ledger.
<u>Effect:</u>	The lack of segregation of duties in the accounting function constitutes a material weakness in their internal control over financial reporting.
<u>Recommendation:</u>	Keeping in mind the limited number of employees to which duties can be assigned, the District should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

View of Responsible Official and Planned Corrective Action:

Management has provided as much segregation of duties as possible with the resources available.

Current Status: *Not resolved. See finding 2017-1.*

ACADIA PARISH COMMUNICATIONS DISTRICT
REPORT ON STATEWIDE
AGREED-UPON PROCEDURES ON COMPLIANCE AND
CONTROL AREAS
FOR THE YEAR ENDED DECEMBER 31, 2017



Postlethwaite & Netterville

A Professional Accounting Corporation

www.pncpa.com

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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Members of the
Acadia Parish Communications District
Louisiana Legislative Auditor

We have performed the procedures enumerated in Schedule A, which were agreed to by the Acadia Parish Communications District (the 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, 2017 through December 31, 2017. The District's management 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 in the attached Schedule A either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

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.

Postlethwaite & Netterville
Lafayette, Louisiana
June 29, 2018

**ACADIA PARISH COMMUNICATIONS DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2017**

Schedule A

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read "*no exception noted*". If not, then a description of the exception ensues.

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

No exception noted.

- 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.

The District has written policies and procedures for purchasing. However, they do not contain attribute (2) how vendors are added to the vendor list. The District does not use a purchase requisition and purchase order system (3).

- c) **Disbursements**, including processing, reviewing, and approving

No exception noted.

- d) **Receipts**, including receiving, recording, and preparing deposits

No exception noted.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

No exception noted.

- 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.

The District has written policies and procedures for contracting. However, they do not contain attribute (2) standard terms and conditions or attribute (3) regarding the legal review.

- 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, and (5) monitoring card usage.

No exception noted.

**ACADIA PARISH COMMUNICATIONS DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2017**

Schedule A

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

The District has written policies and procedures for travel and expense reimbursement. However, they do not contain attribute (2) dollar thresholds by category of expense.

- 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 entity's ethics policy.

The District has written policies for ethics. However, the policy does not specifically address actions to be taken if an ethics violation takes place according to attribute (2) above or a system to monitor possible ethics violations according to attribute (3) above.

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

Not applicable. The District currently has no debt or debt service.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

The Board met quarterly during the period January 1, 2017 through December 31, 2017.

- b) Report whether the minutes referenced are including monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis). If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

The Board's policies and procedures notate that the Board shall review budget-to-actual comparisons at each quarterly Board meeting. Board meetings during the period January 1, 2017 through December 31, 2017 do not reference this review.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

No exception noted.

**ACADIA PARISH COMMUNICATIONS DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2017**

Schedule A

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

A listing of bank accounts was provided and included a total of 3 bank accounts. A signed representation by management was obtained on the completeness of the listing provided.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

From the listing provided, we selected all 3 accounts and obtained the bank reconciliations for each of the twelve months ending December 31, 2017, resulting in 36 bank reconciliations obtained and subjected to the below procedures.

- a) Bank reconciliations have been prepared;

No exception noted.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

Of the 36 bank reconciliations obtained, none of the reconciliations included evidence of management or board member review.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Of the 3 bank accounts selected, 1 account with a total of 12 bank reconciliations had reconciling items that have been outstanding for more than 6 months. There was no documentation evidencing that these reconciling items were researched for proper disposition.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

A listing of cash collection locations was provided and included a single cash collection location. A signed representation by management was obtained on the completeness of the listing provided.

**ACADIA PARISH COMMUNICATIONS DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2017**

Schedule A

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). For each cash collection location selected:

We selected the sole location and performed the procedures noted below.

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

For the one location selected for our procedures, the individual collecting the cash and checks is also responsible for making deposits, recording the transaction in the general ledger, and reconciling the bank account.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

The process to reconcile cash collections to the general ledger by revenue is handled by the same individual who is responsible for cash collections at the District's single location.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

Using the collection data, we determined the highest collection week during the year ending December 31, 2017 for the single collection location and performed the procedures noted below.

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

The Entity does not maintain collection logs or other similar documentation and written policies and procedures do not require such documentation. Therefore, P&N looked at the date stamped "received" on the remittance advice. For the one week selected, three of the four deposits were not within one day of collection.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

No exception noted.

**ACADIA PARISH COMMUNICATIONS DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2017**

Schedule A

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation of receipt number sequences, etc.) by a person who is not responsible for collections.

The Entity has a reconciliation/spreadsheet process defined to determine completeness of telephone collections. However, the process does not include each revenue source. Additionally, the individual responsible for reconciliation of completeness of telephone revenue is the same individual also responsible for collections.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

The listing of beginning and ending check ranges for all bank accounts was provided related to the reporting period. A signed representation by management was obtained on the completeness of the listing provided.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

We randomly selected 25 disbursements and performed the procedures below.

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

The District does not use a requisition/purchase order system. Therefore, this procedure could not be performed.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

The District does not use a requisition/purchase order system. Therefore, this procedure could not be performed.

**ACADIA PARISH COMMUNICATIONS DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2017**

Schedule A

- c) Payments for purchases were not processed without an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

The District does not use a requisition/purchase order system. Therefore, the approved requisition/purchase order attributes of this procedure could not be performed. No exceptions were noted in testing the 25 selected disbursements for the approved invoice attribute.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

The District does not have a formal approved vendor listing or procedure to add vendors into the general ledger system. The person responsible for processing payments is not prohibited from adding vendors.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

One of the four individuals with signatory authority on all District accounts also has responsibility for initiating and recording purchases. Dual signatures are required on all checks.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

One of the four individuals with signatory authority also has access to print checks.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

No exception noted.

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

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.

A listing of cards was provided and included a total of two cards. A signed representation by management was obtained on the completeness of the listing provided.

**ACADIA PARISH COMMUNICATIONS DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2017**

Schedule A

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and perform the procedures below.

We selected one card and performed the procedures noted below.

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

No exception noted.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

No exception noted.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for the card selected (i.e. the card should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

No exception noted.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

In the statement selected, there were a total of two transactions. The business/public purpose was not documented for either of these two transactions.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

Based on review of the District's policies and procedures, no additional documentation is required.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

No exception noted.

**ACADIA PARISH COMMUNICATIONS DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
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Schedule A

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

In the statement selected, there were a total of two transactions. The business/public purpose was not documented for either of these two transactions. However, review of the receipts on file with the District allow for the nature of the transaction to be reviewed. There appear to be no exceptions to this procedure.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

We obtained a listing of all travel related expense reimbursement transactions. A signed representation by management was obtained on the completeness of the listing provided.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

The District's policies and procedures note that the District "is required to ensure strict compliance with all applicable GSA requirements." The District's policies and procedures do not include per diem payments. Rather, employees are reimbursed for expenses.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

No exception noted.

**ACADIA PARISH COMMUNICATIONS DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2017**

Schedule A

- b) Report whether each expense is supported by:
- An original itemized receipt that identifies precisely what was purchased.
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

No exception noted.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exception noted.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exception noted.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

A listing of general ledger activity for all in effect during the fiscal period was provided. A signed representation by management was obtained on the completeness of the listing provided.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

Of the five vendors selected, one had a formal/written contract. Others were for utilities, professional services, and retirement payments; thus, these vendors do not have formal/written contracts.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code (bid law) and:

**ACADIA PARISH COMMUNICATIONS DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2017**

Schedule A

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

Of the five vendors selected, none were subject to the bid law or procurement code.

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

Of the five vendors not subject to bid law, one included quotes solicited as a best practice. Two of the four remaining vendors included utilities and retirement, which are not applicable.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

No exception noted.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

No exception noted.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

No exception noted.

Payroll and Personnel

- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

A listing of employees was provided. The sole employee was subjected to the procedures below.

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

No exception noted.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Not applicable.

**ACADIA PARISH COMMUNICATIONS DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2017**

Schedule A

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

No exception noted.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

No exception noted.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

No exception noted.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Management indicated that there were no employees terminated during the fiscal period. Thus, this procedure is not applicable.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

No exception noted.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

No exception noted.

**ACADIA PARISH COMMUNICATIONS DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2017**

Schedule A

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

No exception noted.

Debt Service

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

Not applicable.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Not applicable.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Not applicable.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

No exception noted.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

The District does not have a website. Thus, the website portion of the procedure could not be performed. No exception noted with the remainder of the procedure.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

No exception noted.

ACADIA PARISH COMMUNICATIONS DISTRICT
MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN
DECEMBER 31, 2017

Schedule B

The Acadia Parish Communications District (the District) provided a response and corrective action plan for the exceptions noted in Schedule A and are set forth below.

Written Policies and Procedures

The District plans to review and amend policies and procedures where applicable to address the findings noted in this section by September 30, 2018.

Board (or Finance Committee, if applicable)

The District will continue the process of including budget to actual comparisons in all Board meetings. Evidence of this review will be documented in meeting minutes beginning in June 2018.

Bank Reconciliations

The District will review existing controls and procedures and implement procedures, as needed, to address the findings noted in this section by September 30, 2018.

Collections

The District will continue to utilize the mitigating controls pertaining to the collections process. In addition, the Board will continue to monitor collections through the budget to actual comparisons during Board meetings. The District plans to review and amend policies and procedures where applicable to address additional findings noted in this section by September 30, 2018.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

The District plans to review and amend policies and procedures where applicable to address the findings noted in this section by September 30, 2018. In addition, the District will continue to utilize the mitigating controls described in this section with respect to the disbursements process.

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

The District plans to review and amend policies and procedures where applicable to address the findings noted in this section by September 30, 2018.

Contracts

The District plans to review and amend policies and procedures where applicable to address the findings noted in this section by September 30, 2018.