
**Terrebonne Parish
Communications District**

Financial Statements

December 31, 2017

Terrebonne Parish Communications District

Table of Contents

Independent Auditor’s Report	1
Management’s Discussion and Analysis	4
Financial Statements	
Statement of Net Position	9
Statement of Revenues, Expenses, and Changes in Net Position	10
Statement of Cash Flows	11
Notes to Financial Statements.....	12
Supplementary Information	
Schedule of Compensation, Benefits, and Other Payments to District Head	20
Independent Accountant’s Report on Applying Agreed-Upon Procedures	21
Reports Required by <i>Government Auditing Standards</i>	
Independent Auditor’s Report in Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	30
Summary of Auditor’s Results and Schedule of Findings	32
Summary Schedule of Prior Year Findings	33

Independent Auditor's Report

To the Board of Commissioners
Terrebonne Parish Communications District
Houma, Louisiana

We have audited the accompanying financial statements of the business-type activities of the Terrebonne Parish Communications District (the "District"), a component unit of the Terrebonne Parish Consolidated Government, 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District, as of December 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis at pages 4 through 8 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Terrebonne Parish Communications District. The accompanying schedule of compensation, benefits, and other payments to district head and independent accountant's report on applying agreed-upon procedures, as required by the State of Louisiana, is presented for purposes of additional analysis and are not a required part of the financial statements.

The schedule of compensation, benefits, and other payments to district head is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The independent accountant's report on applying agreed-upon procedures have not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

To the Board of Commissioners
Terrebonne Parish Communications District
Houma, Louisiana

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Russell J. Martineau, III". The signature is written in a cursive style with a large initial "R".

Covington, Louisiana
May 15, 2018

Management's Discussion and Analysis

Terrebonne Parish Communications District Management's Discussion and Analysis

Introduction

Management's Discussion and Analysis of the Terrebonne Parish Communications District's (the "District") financial performance presents a narrative overview and analysis of the District's financial activities for the year ended December 31, 2017. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the District's financial statements, which begin on page 9.

Financial Highlights

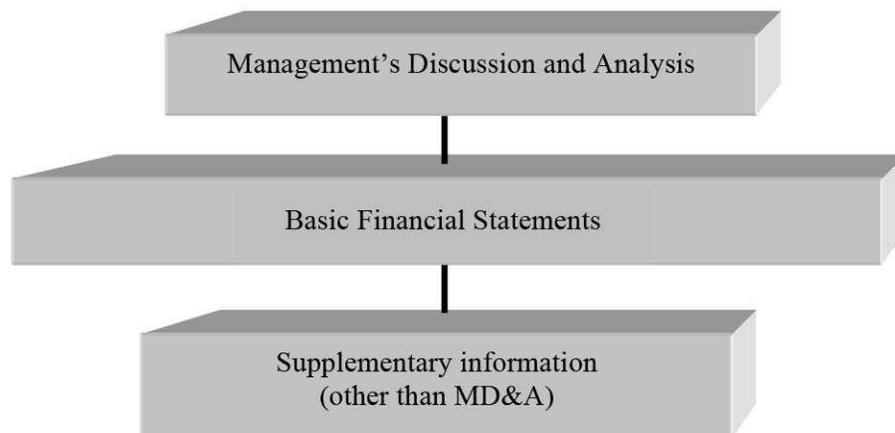
The District's assets exceeded its liabilities at December 31, 2017 by \$2,304,393, which represents a 22.65% increase from the prior fiscal year.

The Commission's service charges increased by \$371,616, approximately 21.91%, compared to the prior fiscal year.

Operating income increased by \$199,200 compared to the prior fiscal year.

Overview of the Financial Statements

The following graphic illustrates the minimum requirements for government entities engaged in business-type activities established by Governmental Accounting Standards Board.



These financial statements consist of two sections - Management's Discussion and Analysis (this section), and the basic financial statements (including the notes to the financial statements). This report also contains supplementary information in addition to the basic financial statements.

Terrebonne Parish Communications District

Management's Discussion and Analysis

The District's activities are reported in a single proprietary fund. 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 District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The District's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred.

Basic Financial Statements

The basic financial statements present information for the District as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

Statement of Net Position

This statement presents the current and noncurrent assets, deferred outflows of resources, current and noncurrent portions of liabilities, and deferred inflows of resources, with the difference reported as net position. Net position may provide a useful indicator of whether the financial position of the District is improving or deteriorating.

Statement of Revenues, Expenses, and Changes in Net Position

This statement presents information showing how the District's net position changed as a result of current year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

Statement of Cash Flows

This statement presents information showing how the District's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income to net cash provided by operating activities (indirect method) as required by GASB 34.

Terrebonne Parish Communications District

Management's Discussion and Analysis

Financial Analysis of the Entity

The condensed statements of net position consist of the following at December 31:

	2017	2016	Variance	% Variance
Assets				
Current assets	\$ 938,265	\$ 905,688	\$ 32,577	3.60%
Capital assets, net	4,604,724	1,249,800	3,354,924	268.44%
	<u>\$ 5,542,989</u>	<u>\$ 2,155,488</u>	<u>\$ 3,387,501</u>	157.16%
Liabilities				
Current liabilities	\$ 442,600	\$ 233,162	\$ 209,438	89.83%
Noncurrent liabilities	2,795,996	43,476	2,752,520	6331.13%
	<u>3,238,596</u>	<u>276,638</u>	<u>2,961,958</u>	1070.70%
Net Position				
Net investment in capital assets	1,467,744	1,194,800	272,944	22.84%
Unrestricted	836,649	684,050	152,599	22.31%
	<u>2,304,393</u>	<u>1,878,850</u>	<u>425,543</u>	22.65%
	<u>\$ 5,542,989</u>	<u>\$ 2,155,488</u>	<u>\$ 3,387,501</u>	157.16%

Restricted net position represents those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on how these amounts may be spent.

Capital assets increased by \$3,354,924, approximately 268% from December 31, 2016 to December 31, 2017, due primarily from the additional of a computer aided dispatch system. Noncurrent liabilities consist of accrued compensated absences and capital lease obligation. The increase is caused primarily from the additional of two capital lease obligations (See Note 6).

Terrebonne Parish Communications District Management's Discussion and Analysis

The condensed statements of revenues, expenses, and changes in net position consist of the following for the years ended December 31:

	2017	2016	Variance	% Variance
Operating Revenues				
Service charges	\$ 2,067,505	\$ 1,695,889	\$ 371,616	21.91%
Other revenues	158,594	154,170	4,424	2.87%
	<u>2,226,099</u>	<u>1,850,059</u>	<u>376,040</u>	<u>20.33%</u>
Operating Expenses				
Salaries and benefits	1,171,081	1,043,651	127,430	12.21%
Telephone expense	136,250	127,599	8,651	6.78%
Depreciation	175,948	131,895	44,053	33.40%
Other operating expenses	314,887	318,181	(3,294)	-1.04%
	<u>1,798,166</u>	<u>1,621,326</u>	<u>176,840</u>	<u>10.91%</u>
Operating income	<u>427,933</u>	<u>228,733</u>	<u>199,200</u>	<u>87.09%</u>
Non-Operating				
Interest income	3,575	1,955	1,620	82.86%
Interest expense	(5,965)	(4,565)	(1,400)	30.67%
	<u>(2,390)</u>	<u>(2,610)</u>	<u>220</u>	<u>8.43%</u>
Change in net position	425,543	226,123	199,420	88.19%
Net position, beginning of year	<u>1,878,850</u>	<u>1,652,727</u>	<u>226,123</u>	<u>13.68%</u>
Net position, end of year	<u>\$ 2,304,393</u>	<u>\$ 1,878,850</u>	<u>\$ 425,543</u>	<u>22.65%</u>

The District's operating income increased by \$199,200, approximately 87%, due primarily to an increase in service charges. The change in net position increased by \$202,220 from December 31, 2016 to December 31, 2017.

Capital Assets

Capital assets consist of the following at December 31:

	2017	2016	Variance	% Variance
Buildings	\$ 1,277,357	\$ 1,277,357	\$ -	0.00%
Equipment	1,574,848	1,487,885	86,963	5.84%
Automobiles	20,848	20,848	-	0.00%
	<u>2,873,053</u>	<u>2,786,090</u>	<u>86,963</u>	<u>3.12%</u>
Accumulated depreciation	(1,712,238)	(1,536,290)	(175,948)	11.45%
	<u>1,160,815</u>	<u>1,249,800</u>	<u>(88,985)</u>	<u>-7.12%</u>
Construction in progress	3,443,909	-	3,443,909	100.00%
	<u>\$ 4,604,724</u>	<u>\$ 1,249,800</u>	<u>\$ 3,354,924</u>	<u>268.44%</u>

Terrebonne Parish Communications District Management's Discussion and Analysis

Capital assets increased by \$3,354,924, approximately 268%, due primarily to the additions of equipment in the current fiscal year. Additions for the year ended December 31, 2017 included:

Equipment	\$ 86,962
Construction in progress	<u>3,443,909</u>
	<u>\$ 3,530,871</u>

Certificates of Indebtedness

The District had a certificate of indebtedness mature on October 1, 2017. Certificate of Indebtedness consisted of the following at December 31:

	<u>2017</u>	<u>2016</u>	<u>Variance</u>	<u>% Variance</u>
Certificates of indebtedness	<u>\$ -</u>	<u>\$ 55,000</u>	<u>\$ (55,000)</u>	-100.00%

Budget

The annual budget is approved by the Board of Commissioners and made available for public inspection.

Economic Factors and Next Year's Budgets and Rates

The District and management considered the following factors and indicators when setting next year's budget, rates, and fees:

- Increase in service charges collected in 2017
- Prior year's expenses
- The District expects that next year's results may increase slightly based on the overall economy in the area

Contacting the District's Management

This financial report is designed to provide a general overview of the District's finances for all those with such an interest. Call the District's office (985-580-0911) attention Mark Boudreaux, Director, if you should have any further questions concerning any of the information provided in this report or have a request for additional financial information.

Financial Statements

Terrebonne Parish Communications District
Statement of Net Position
December 31, 2017

ASSETS

Current Assets

Cash and cash equivalents	\$ 185,644
Accounts receivable	274,911
Prepaid expenses	71,461
Investments	406,249
	<u>938,265</u>

Capital Assets

Property and equipment, net	4,604,724
	<u>\$ 5,542,989</u>

LIABILITIES AND NET POSITION

Current Liabilities

Accounts payable	\$ 8,540
Accrued payroll expenses	38,580
Accrued interest	3,683
Capital lease obligation, current portion	391,797
	<u>442,600</u>

Noncurrent Liabilities

Accrued compensated absences	50,813
Capital lease obligation, net of current portion	2,745,183
	<u>2,795,996</u>
	3,238,596

Net Position

Net investment in capital assets	1,467,744
Unrestricted	836,649
	<u>2,304,393</u>
	<u>\$ 5,542,989</u>

Terrebonne Parish Communications District
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2017

Operating Revenues	
Service charges	\$ 2,067,505
Fire dispatch reimbursements	138,613
Other revenues	19,981
	<u>2,226,099</u>
Operating Expenses	
Salaries and related taxes	1,143,130
Retirement benefits	27,951
Rent	23,033
Telephone expense	136,250
Administrative services	9,109
Office supplies	21,003
Repairs and maintenance	153,840
Utilities	24,208
Depreciation	175,948
Legal and professional services	28,470
Insurance	50,268
Travel	4,956
	<u>1,798,166</u>
Operating Income	<u>427,933</u>
Non-Operating Revenues (Expenses)	
Interest income	3,575
Interest expense	(5,965)
	<u>(2,390)</u>
Change in Net Position	425,543
Net Position, Beginning of Year	<u>1,878,850</u>
Net Position, End of Year	<u><u>\$ 2,304,393</u></u>

See accompanying notes to financial statements.

Terrebonne Parish Communications District
Statement of Cash Flows
For the Year Ended December 31, 2017

Cash Flows From Operating Activities

Receipts:

Cash received from customers \$ 2,221,402

Disbursements:

Payments to employees for services (1,158,344)

Payments to suppliers for goods and services (531,748)

Net cash provided by operating activities 531,310

Cash Flows From Capital and Related Financing Activities

Purchases of capital assets (3,530,872)

Proceeds from borrowing 3,136,980

Principal paid on certificate of indebtedness (55,000)

Interest paid on debt (2,282)

Net cash used in capital and related financing activities (451,174)

Cash Flows From Investing Activities

Proceeds from certificates of deposit 50,117

Purchase of investments (3,536)

Interest received 3,575

Net cash provided by investing activities 50,156

Net change in cash and cash equivalents 130,292

Cash and cash equivalents, beginning balance 55,352

Cash and cash equivalents, ending balance \$ 185,644

Reconciliation of Change in Net Position to

Cash Flows from Operating Activities

Operating income \$ 427,933

Adjustments to reconcile the change in net position
to net cash provided by operating activities:

Depreciation 175,948

(Increase) decrease in:

Accounts receivable (4,697)

Prepaid expenses 55,831

Increase (decrease) in:

Accounts payable (136,442)

Accrued payroll expenses 5,400

Accrued compensated absences 7,337

Net cash provided by operating activities \$ 531,310

See accompanying notes to financial statements.

Terrebonne Parish Communications District

Notes to Financial Statements

1. History and Summary of Significant Accounting Policies

Nature of Operations

The District assesses a fixed monthly service charge to customers of local telephone and wireless communication companies providing service in Terrebonne Parish. The companies collect the charge then remit those collections to the District. The District uses this service charge to run an emergency 911 system. The District is a component unit of Terrebonne Parish Consolidated Government (the Parish) and as such, these financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ended December 31, 2017. The District has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

Financial Reporting Entity

Organizations are required to have a financial benefit/burden relationship with the primary government for it to be included in the reporting entity as a component unit. The financial benefit/burden relationship is defined as existing if any one of the following conditions is present:

- The primary government is legally entitled to or can otherwise access the organization's resources
- The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization
- The primary government is obligated in some manner for the debt of the organization

Based on the foregoing criteria, the District is included as a component unit of Terrebonne Parish Consolidated Government (the "Parish") and as such, these financial statements will be included in the Comprehensive Annual Financial Report of the Parish for the year ended December 31, 2017.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows for each major proprietary fund. Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position.

The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are user charges and fees, while operating expenses consist of salaries, ordinary maintenance, assessments, indirect costs and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Terrebonne Parish Communications District

Notes to Financial Statements

Net Position

The statement of net position reports net position as the difference between all other elements in a statement of net position and should be displayed in three components—net investment in capital assets, restricted net position (distinguishing between major categories of restrictions), and unrestricted net position.

- 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, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets
- Restricted - Consists of amounts with constraints placed on the use by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation
- Unrestricted - All other amounts that do not meet the definition of "restricted" or "net investment in capital assets"

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

Use of Estimates

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

Cash and Cash Equivalents

For the purpose of the statement of net position and statement of cash flows, cash and cash equivalents include all demand accounts of the District with an original maturity of 90 days or less.

Accounts Receivable

Receivables consist of all revenues earned at year-end but have not been collected at year end. Management monitors the receivable balances and assesses the collectability at year end based upon the historical collections, knowledge of the individual or entity, and the age of the receivable balance. As a result of these reviews, customer balances deemed to be uncollectible are charged to the allowance for doubtful accounts. Management has deemed all accounts collectible at year-end and no allowance has been recorded.

Prepaid Expenses

Payments to vendors for insurance, maintenance contracts, and membership dues include costs applicable to the next accounting period and are recorded as prepaid items.

Investments

Investments consist of deposits in the Louisiana Asset Management Pool and are carried at fair value. Investment return includes interest, dividends, administrative fees, and realized and unrealized gains and losses, and is included in the statement of activities as increases or decreases in unrestricted net assets.

Terrebonne Parish Communications District

Notes to Financial Statements

Capital Assets

Capital assets with a cost of \$1,000 or more are reported at cost in the statement of net position. Repairs and maintenance are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Buildings	5 - 40 years
Equipment	5 - 20 years
Automobile	5 years

Compensated Absences

Employees of the District can earn twelve to seventeen days per year vacation leave, depending on their length of employment. An employee may not accumulate more than two times their annual vacation allowance upon their anniversary date. Any unused vacation time in excess of the doubled amount remaining past the employee's anniversary date will be paid to the employee at their regular hourly rate. In the event the employee is terminated or resigns, all unused vacation leave not used will be paid to the employee. Employees of the District earn seven days sick leave per year. Sick leave may be accumulated to a maximum of six hundred (600) hours. Any employee retiring with a minimum of twenty (20) years of service at any age, or ten (10) years of service and of the age of retirement (65 years old), is eligible to receive payment for unused sick leave not to exceed three hundred (300) hours. In the event the employee is terminated or resigns, no sick leave will be paid to the employee. The liability for vacation and sick leave is recorded as a long-term liability in the financial statements.

Deferred Compensation Plan

The District offers its employees a deferred compensation plan (the "Plan") created in accordance with Internal Revenue Code 457. The Plan is administered by the District. The Plan, available to all full-time employees of the District, permits them to defer a portion of their salary until future years.

All amounts of compensation deferred, all property and rights purchased, and all income, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust by Security Benefit for the exclusive benefit of the participants and their beneficiaries.

The District makes contributions on the employee's behalf based on the following formula; 3% for all full-time employees that have completed their probationary period and five years of consecutive full-time employment with an additional 1% added (4% total) for all full-time employees with seven years of consecutive full-time employment and an additional 1% added (5% total) for all full-time employees with ten years of consecutive full-time employment. The District's contributions to the Plan for the year ending December 31, 2017 totaled \$27,951.

Terrebonne Parish Communications District

Notes to Financial Statements

2. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions include demand deposits. Under state law the District may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency District. Further, the District may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts or federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding custodial bank in the form of safekeeping receipts.

The District's cash deposits at December 31, 2017 consisted of the following:

	Cash	Money Market	Total
Deposits per Statement of Net position (reconciled bank balance)	\$ 185,644	\$ -	\$ 185,644
Deposits in bank accounts per bank	\$ 158,169	\$ 50,156	\$ 208,325
Category 3 bank balances:			
a. Uninsured and uncollateralized	\$ -	\$ -	\$ -
b. Uninsured and collateralized with securities held by the pledging institution	-	-	-
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the District's name	-	-	-
Total category 3 bank balances	\$ -	\$ -	\$ -

Custodial Deposit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be returned to the District. As of December 31, 2017, the District's deposits were properly insured.

Terrebonne Parish Communications District

Notes to Financial Statements

3. Investments

The District may invest idle funds as authorized by Louisiana Statutes, as follows:

- United States bonds, treasury notes, certificates, or any other federally insured investment.
- Time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana.
- Mutual or trust funds, which are registered with the Securities and Exchange District under the Securities Act of 1933 and the Investment Act of 1940 and which have underlying investments consisting solely of and limited to securities of the United States government or its agencies.

Investments are measured at fair value at December 31, 2017 and are comprised of the Louisiana Asset Management Pool ("LAMP").

Investments held in LAMP at December 31, 2017 was \$406,249. In accordance with GASB Codification Section 150.126, the investment in LAMP - a local government investment pool - is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in a pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. LAMP, Inc. is subject to the regulatory oversight of the State Treasurer and the Board of Directors. LAMP is not registered with the SEC as an investment company.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

Interest Rate and Credit Risk

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of investments. The District's investment policy limits interest rate risk by generally limiting maturities of its investments to shorter term securities, money market mutual funds, or similar investment pools.

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a national recognized statistical rating organization. Credit quality ratings are not required for U.S. government securities. Federal agency securities are securities, usually bonds, issued by a U.S. Government-sponsored agency. The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the State of Louisiana.

Terrebonne Parish Communications District
Notes to Financial Statements

4. Capital Assets

	Balance 01/01/17	Additions	Disposals	Balance 12/31/17
Capital Assets Not Being Depreciated				
Construction in progress	\$ -	\$ 3,443,909	\$ -	\$ 3,443,909
Capital Assets Being Depreciated				
Buildings	1,277,357	-	-	1,277,357
Equipment	1,487,885	86,963	-	1,574,848
Automobile	20,848	-	-	20,848
	<u>2,786,090</u>	<u>86,963</u>	<u>-</u>	<u>2,873,053</u>
Accumulated depreciation	(1,536,290)	(175,948)	-	(1,712,238)
	<u>1,249,800</u>	<u>(88,985)</u>	<u>-</u>	<u>1,160,815</u>
	<u>\$ 1,249,800</u>	<u>\$ 3,354,924</u>	<u>\$ -</u>	<u>\$ 4,604,724</u>

5. Noncurrent Liabilities

The following is a summary of the long-term obligation transactions for the year ended December 31, 2017:

	Balance at 01/01/17	Additions	Payments	Balance at 12/31/17	Due Within One Year
Certificates of indebtedness	\$ 55,000	\$ -	\$ (55,000)	\$ -	\$ -
Compensated absences	43,476	39,134	(31,797)	50,813	-
Capital lease obligation	-	3,136,980	-	3,136,980	391,797
	<u>\$ 98,476</u>	<u>\$ 3,176,114</u>	<u>\$ (86,797)</u>	<u>\$ 3,187,793</u>	<u>\$ 391,797</u>

The certificate of indebtedness bears interest at 4.15% and matured October 1, 2017. The certificate is secured by a pledge and dedication of the excess of annual revenues above statutory, necessary and usual charges in each of the fiscal years during which the certificate is outstanding.

Terrebonne Parish Communications District

Notes to Financial Statements

6. Leases

Capital Leases

On November 30, 2017, the District entered into a capital lease agreement with Government Capital Corporation for a computer aided dispatch system. The capital lease is payable in annual installments of \$360,944, including interest at 3.090%, beginning May 30, 2018 and ending May 30, 2025. The capital lease obligation is secured by the related asset.

On December 20, 2017, the District entered into a capital lease agreement with Government Capital Corporation for a records management software system. The capital lease is payable in annual installments of \$81,676, including interest at 3.255%, beginning July 20, 2018 and ending July 20, 2025. The capital lease obligation is secured by the related asset.

The future minimum lease payments are as follows:

Year Ending December 31	Principal	Interest	Total
2018	\$ 391,796	\$ 50,823	\$ 442,619
2019	356,963	85,658	442,621
2020	368,100	74,520	442,620
2021	379,585	63,034	442,619
2022	391,429	51,190	442,619
2023	403,643	38,976	442,619
2024	416,238	26,381	442,619
2025	429,226	13,394	442,620
	<u>\$ 3,136,980</u>	<u>\$ 403,976</u>	<u>\$ 3,540,956</u>

Operating Leases

The District leases tower space from two unrelated third parties. These one-year, written agreements are renewable annually with the consent of both parties. The total operating lease expense under these agreements for the year ended December 31, 2017 is \$23,033.

7. Commitment

The Federal Communications Commission (FCC) and the Louisiana State Legislature have issued rulings and statutes requiring wireless telecommunication providers to provide the number and location of the caller to the communications district when a caller accesses 911. State statutes require the caller location service to be operating within one year of collecting a consumer fee for the service.

The District implemented the rulings and has begun collecting the service charge effective January 1, 2001. Proceeds from the consumer service charge, \$1,095,401 for the year ended December 31, 2017, shall be used for the payment of service provider and district costs associated with system implementation.

Terrebonne Parish Communications District

Notes to Financial Statements

8. Risk Management

The District is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to the public; and natural disasters for which the District carries commercial insurance or other insurance for the losses to which it is exposed. The District's premiums for general liability are based on various factors such as its operations and maintenance budget, exposure and claims experience. The premium for auto liability is based on claims experience, vehicle type, and mileage.

9. Compensation of Board Members

Board Member	Amount
Bryan Chaisson	\$ -
Toby Henry	-
Michael Dean	-
Duane Farmer	-
Perry "Joe" Szush	-
Keith Ward	-
Shonna Theriot	-

No compensation was paid to Board Members for the year ended December 31, 2017.

10. Subsequent Events

Subsequent events were evaluated by management through May 15, 2018, which is the date the financial statements were available to be issued.

The District entered into an agreement with the Terrebonne Parish Sheriff's Office ("TPSO") on May 4, 2018 for TPSO to reimburse the District \$574,667 for TPSO's benefit from the records management software system (see Note 6). The balance is to be repaid by TPSO with annual payments to the District totaling \$81,676 each, beginning July 20, 2018 and ending July 20, 2025.

Supplementary Information

Terrebonne Parish Communications District
Schedule of Compensation, Benefits, and Other Payments to District Head
For the Year Ended December 31, 2017

Name: Mark Boudreaux
Position: Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 81,346
Benefits - insurance	17,381
Benefits - retirement	4,067
Per diem	179
Conference - registration	150
Conference - travel	190
	<u>\$ 103,313</u>

**Independent Accountant’s Report
on Applying Agreed-Upon Procedures**

To the Board of Commissioners
Terrebonne Parish Communications District
Houma, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of Terrebonne Parish Communications District (the “District”) and the Louisiana Legislative Auditor on the control and compliance areas identified in the Louisiana Legislative Auditor’s Statewide Agreed-Upon Procedures for the fiscal period January 1, 2017 to December 31, 2017. The District’s management is responsible for those control and compliance areas identified in the Statewide Agreed-Upon Procedures.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the District’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
 - b) *Purchasing*, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes
 - c) *Disbursements*, including processing, reviewing, and approving
 - d) *Receipts*, including receiving, recording, and preparing deposits
 - e) *Payroll/Personnel*, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked
 - f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

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- 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
 - h) *Travel and expense reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
 - i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy
 - j) *Debt Service*, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements

Results

No exceptions noted.

Board of Commissioners

2. Obtain and review the board 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.
 - b) Report whether the minutes referenced or included 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.
 - 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.

Results

The board of commissioners met on a frequency in accordance with the board's enabling legislation. No exceptions noted.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.
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). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

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- a) Bank reconciliations have been prepared;
 - 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
 - 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.

Results

No exceptions noted.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
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). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. For each cash collection location selected:
 - 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.
 - 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.
 - c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - 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.
 - 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.
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 to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Results

No exceptions noted.

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.
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:
 - 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.
 - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
 - c) Payments for purchases were not processed without (1) 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.
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.
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.
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.
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.

Results

No exceptions 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.

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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. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

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:

- 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 (Note: Requiring such approval may constrain the legal authority of certain public officials; these instances should not be reported).
 - b) Report whether finance charges and/or late fees were assessed on the selected statements.
16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards 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)
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
 - 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.
 - 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.

Results

No exceptions noted.

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.
 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.
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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.
 - b) Report whether each expense is supported by:
 - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - 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)
 - 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.
 - d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results

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

Results

No exceptions 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) 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.
 - 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.
 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). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
 - 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.
 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.
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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.

Results

No exceptions noted.

Ethics

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.
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.

Results

Two board commissioners did not complete the required ethics training during the period.

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.
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.
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.

Results

No bonds were issued during the period.

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.
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.

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

Results

No exceptions noted.

Results

We noted the following exceptions as a result of applying the above procedures:

Ethics

Finding

Two board commissioners did not complete the required ethics training during the period.

Management's Response

Management will communicate the importance of completing the required ethics training to all board members. A policy will be implemented and require the board members to submit the ethics training certificate to management upon completion every calendar year.

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 control and compliance areas identified in the Statewide Agreed-Upon Procedures. 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 control and compliance areas identified in the Statewide Agreed-Upon Procedures, 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 Louisiana Legislative Auditor as a public document.



Covington, Louisiana
May 15, 2018

*Reports Required by
Government Auditing Standards*

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

To the Board of Commissioners
Terrebonne Parish Communications District
Houma, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Terrebonne Parish Communications District (the “District”) 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 May 15, 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 District’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.

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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Covington, Louisiana
May 15, 2018

Terrebonne Parish Communications District
Summary of Auditor's Results and Schedule of Findings
For the Year Ended December 31, 2017

A. Summary of Auditor's Results

a. Financial Statements

Type of auditors' report issued: Unmodified

b. Internal control over financial reporting:

Material weaknesses identified _____ yes ✓ no

Significant deficiencies identified not
considered to be material weaknesses _____ yes ✓ none noted

c. Noncompliance material to financial
statements noted

_____ yes ✓ no

B. Findings in Accordance with *Government Auditing Standards*

None

Terrebonne Parish Communications District
Summary Schedule of Prior Year Findings
For the Year Ended December 31, 2017

A. Findings Relating to the Financial Statement Reported in Accordance with *Government Auditing Standards*

None noted.