
ACADIA PARISH COMMUNICATIONS DISTRICT
A COMPONENT UNIT OF THE ACADIA PARISH POLICE JURY
CROWLEY, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018



Postlethwaite & Netterville

A Professional Accounting Corporation

www.pncpa.com

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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, 2018, 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, 2018, 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.



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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 schedule on page 30, the schedule of proportionate share of the net pension liability on page 31, and the schedule of contributions to defined benefit pension plan on page 32 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 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. The Schedule of Compensation, Benefits, and Other Payments to the Director is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 17, 2019 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.

Lafayette, Louisiana

June 17, 2019

ACADIA PARISH COMMUNICATIONS DISTRICT
CROWLEY, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2018

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, 2018. 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 \$4,829,019. Of this amount, \$746,401 was the net investment in capital assets, \$2,264 was restricted, and \$4,080,354 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 \$641,413 for the year.

Total program revenues were \$990,901 for the year and total general revenues were \$5,478, which is primarily interest income, 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, 2018

B. REPORTING ACADIA PARISH COMMUNICATIONS DISTRICT MOST SIGNIFICANT FUND

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 30) to demonstrate compliance with this budget.

Additional schedules required by GASB No. 68, *Accounting and Financial Reporting for Pensions*, are included on pages 31 and 32.

ACADIA PARISH COMMUNICATIONS DISTRICT
CROWLEY, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2018

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 - 29.

III. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Acadia Parish Communications District's total net position increased in the current year from \$4,474,053 to \$4,829,019. The following table reflects the condensed statement of net position as of December 31, 2018, with comparative figures from 2017:

TABLE 1
CONDENSED STATEMENTS OF NET POSITION
DECEMBER 31, 2018 and 2017

	2018	2017
Assets and Deferred Outflows:		
Cash and Certificates of Deposit	\$ 4,029,478	\$ 3,552,359
Capital assets	746,401	750,275
Other	156,743	203,438
Deferred outflows	15,624	26,329
Total assets and deferred outflows	\$ 4,948,246	\$ 4,532,401
Liabilities and Deferred Inflows:		
Accounts payable and other liabilities	\$ 84,689	\$ 18,121
Long-term liabilities	13,943	32,948
Deferred inflows	20,595	7,279
Total liabilities and deferred inflows	119,227	58,348
Net position:		
Net investments in capital assets	746,401	750,275
Restricted	2,264	2,264
Unrestricted	4,080,354	3,721,514
Total net position	4,829,019	4,474,053
Total liabilities, deferred inflows, and net position	\$ 4,948,246	\$ 4,532,401

The net position of Acadia Parish Communications District's governmental activities increased by \$354,966 or 7.9% from 2017 to 2018. 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 \$358,840 or 9.6% from 2017 to 2018.

ACADIA PARISH COMMUNICATIONS DISTRICT
CROWLEY, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2018

The following table provides a summary of the changes in net position for the year ended December 31, 2018, with comparative figures from 2017:

TABLE 2
CONDENSED STATEMENT OF CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2018 and 2017

	2018	2017
Revenues:		
Program revenues -		
Fees and charges for services	\$ 990,901	\$ 914,550
General revenues -		
Investment earnings	4,664	4,334
Loss on disposal of capital assets	-	(118)
Miscellaneous revenues	814	1,510
Total revenues	996,379	920,276
Expenses:		
Public safety	641,413	571,167
Total expenses	641,413	571,167
Increase in net position	\$ 354,966	\$ 349,109

During the fiscal year ended December 31, 2018, fees and charges for services increased \$76,351 or approximately 8.3%, primarily due to an increase in telephone surcharge rates effective in 2017 that were in effect for the full year in 2018. Expenses increased by \$70,246 or approximately 12.3%, mainly due to an increase in salary costs.

IV. FINANCIAL ANALYSIS OF THE FUND

The fund balance of Acadia Parish Communications District's governmental fund increased by \$356,982 or 9.6% from 2017 to 2018. 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 \$363,156 or 9.9% from 2017 to 2018. Total fund balance of the general fund was \$4,094,658 as of December 31, 2018, approximately 641% 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, 2018

V. GENERAL FUND BUDGETARY HIGHLIGHTS

The Acadia Parish Communications District's General Fund budget was revised once during the 2018 fiscal year to more accurately reflect operations. Actual revenues were higher than final budgeted revenues by \$84,230 and actual expenditures were \$3,349 more than final budgeted expenditures.

The net change in fund balance of the General Fund for the year ended December 31, 2018 of \$356,982 was \$80,881 more than the anticipated (final budgeted) increase.

VI. CAPITAL ASSETS

At the end of 2018, Acadia Parish Communications District had \$746,401 (net of accumulated depreciation) invested in capital assets. This amount represents a net decrease of \$3,874 or 0.5% from 2017.

	2018	2017
Land	\$ 54,000	\$ 54,000
Buildings and improvements	601,631	628,596
Equipment	90,770	67,679
Total capital assets	\$ 746,401	\$ 750,275

During the year, \$37,854 of capital assets were placed into service. There was \$1,540 in disposals which were fully depreciated. Depreciation expense for the year ended December 31, 2018 was \$41,728.

VII. LONG-TERM DEBT

Obligations include accrued compensated absences payable with a balance at December 31, 2018 of \$13,943.

VIII. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The 2019 budget was prepared based on 2018 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 2019.

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, 2018

ASSETS AND DEFERRED OUTFLOWS

ASSETS

Cash	\$ 3,357,973
Certificates of deposit	671,505
Accounts receivable	139,957
Prepaid insurance	9,912
Net pension asset	6,874
Capital assets, net of accumulated depreciation	<u>746,401</u>
Total assets	<u>4,932,622</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred amounts related to net pension liability	<u>15,624</u>
Total deferred outflows of resources	<u>15,624</u>

TOTAL ASSETS AND DEFERRED OUTFLOWS **\$ 4,948,246**

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, 2018

LIABILITIES, DEFERRED INFLOWS, AND NET POSITION

LIABILITIES

Accounts payable	\$ 2,823
Due to other governmental agencies	81,866
Long-term liabilities due within one year	870
Long-term liabilities due in more than one year	13,073
Total liabilities	<u>98,632</u>

DEFERRED INFLOWS OF RESOURCES

Deferred amounts related to net pension liability	<u>20,595</u>
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NET POSITION

Net investment in capital assets	746,401
Restricted for:	
Capital grant	2,264
Unrestricted	<u>4,080,354</u>
Total net position	<u>4,829,019</u>

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

\$ 4,948,246

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, 2018

Functions/Programs	Expenses	Program Revenues Fees and Charges for Services	Net (Expense) Revenue and Changes in Net Position
			Governmental Activities
Governmental activities			
Public safety	\$ 641,413	\$ 990,901	\$ 349,488
Total governmental activities	\$ 641,413	\$ 990,901	349,488
General Revenues			
Investment earnings			4,664
Miscellaneous revenues			814
Total general revenues			5,478
Change in net position			354,966
Net position, beginning of year			4,474,053
Net position, end of year			\$ 4,829,019

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, 2018

	<u>General Fund</u>
ASSETS	
Cash	\$ 3,357,973
Certificates of deposit	671,505
Accounts receivable	139,957
Prepaid insurance	<u>9,912</u>
Total assets	\$ <u>4,179,347</u>
LIABILITIES	
Accounts payable and accrued expenses	\$ 2,823
Due to other governmental agencies	<u>81,866</u>
Total liabilities	<u>84,689</u>
FUND BALANCES	
Nonspendable amounts -	
Prepaid insurance	9,912
Restricted for -	
Capital grant	2,264
Assigned to -	
Training and equipment	54,721
Unassigned	<u>4,027,761</u>
Total fund balances	<u>4,094,658</u>
Total Liabilities and Fund Balances	\$ <u>4,179,347</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, 2018

Total fund balances - governmental fund	\$	4,094,658
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		746,401
Net pension liability balances in accordance with GASB 68:		
Deferred outflow of resources - deferred pension contributions		6,948
Deferred outflow of resources - related to net pension liability		8,676
Net pension asset		6,874
Deferred inflow of resources - related to net pension liability		(20,595)
Accrued compensated absences are not due and payable in the current period and are therefore not reported in the governmental funds.		<u>(13,943)</u>
Net position - governmental activities	\$	<u><u>4,829,019</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, 2018

	<u>General</u> <u>Fund</u>
REVENUES	
Charges for services	\$ 990,901
Investment earnings	4,664
Miscellaneous revenues	<u>125</u>
Total revenues	<u>995,690</u>
EXPENDITURES	
Current -	
Public safety	600,854
Capital outlay	<u>37,854</u>
Total expenditures	<u>638,708</u>
Net change in fund balance	356,982
Fund balance, beginning	<u>3,737,676</u>
Fund balance, ending	<u><u>\$ 4,094,658</u></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, 2018

Net change in fund balances - total governmental fund \$ 356,982

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	\$ 37,854	
Depreciation expense	<u>(41,728)</u>	(3,874)

Change in net pension liability and deferred inflows and outflows in accordance with GASB No. 68.		2,647
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Some expenses reported in the statement of activities
do not require the use of current financial resources and
therefore, are not reported as expenditures in the
governmental funds.

Increase in accrued compensated absences		<u>(789)</u>
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Change in net position of governmental activities		<u>\$ 354,966</u>
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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 BASIC 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 are 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 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 BASIC 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 year end.

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 BASIC 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 BASIC 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 District 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
 - Restricted - represent balances where constraints have been established by parties outside of the District or by enabling legislation.
 - Committed - represent balances where constraints have been established by formal action of the District. 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 BASIC FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Fund Financial Statements (continued)

- Assigned - represent balances where informal constraints have been established by the District 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 District reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned, and unassigned amounts are available, the District 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 financial institutions having their principal office in the State of Louisiana.

The District's investments at December 31, 2018 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, 2018.

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

NOTES TO BASIC FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Current Accounting Standards Scheduled to be Implemented

GASB Statement 87, Leases. This standard will require all leases to be reported on the statement of net position under a single accounting model for both lessors and lessees. The statement will require the recognition of lease assets or liabilities for leases previously reported as operating leases. Both operating and capital leases will be reported under this single accounting method and reported by lessees as an intangible right to use asset and by lessors as a receivable with both reporting a deferred inflow of resources. The standard is effective for annual reporting periods beginning after December 15, 2019. The District will include the requirements of this standard, as applicable, in its December 31, 2020 financial statements. All of the District's lease agreements will need to be evaluated to determine the impact of implementing this standard; however, the effect of this standard or its applicability to the District is unknown at this time.

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, 2018, the carrying amount of demand deposit accounts was \$3,357,872. The bank balance was \$3,374,179. Certificates of deposit are included in the balance sheet with a balance totaling \$671,505. As of December 31, 2018, the District had bank balances totaling \$4,045,783 of which \$250,000 was covered by federal deposit insurance. The remaining balance was protected against custodial credit risk by collateral held by the pledging bank's trust department in the District's name.

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.

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

NOTES TO BASIC FINANCIAL STATEMENTS

3. Defined Benefit Pension Plan (continued)

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:

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. Eligibility for retirement benefits and the calculation of retirement benefits are provided for in the PERS website at www.persla.org.

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).

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

NOTES TO BASIC FINANCIAL STATEMENTS

3. Defined Benefit Pension Plan (continued)

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, 2018, for the District and covered employees were as follows:

	District	Employees
Parochial Employees' Retirement System of Louisiana- Plan A	11.50%	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,		
	2018	2017	2016
Primary Government Governmental Activities:			
Parochial Employees' Retirement System of Louisiana-Plan A	\$ 6,948	\$ 7,125	\$ 7,410

ACADIA PARISH COMMUNICATIONS DISTRICT
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CROWLEY, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS

3. Defined Benefit Pension Plan (continued)

Pension Asset, 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 Asset allocated by the pension plan based on the December 31, 2017 measurement date. The District uses this measurement to record its Net Pension Asset and associated amounts as of December 31, 2018 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at December 31, 2017 along with the change compared to the December 31, 2016 rate. The proportion of the Net Pension Asset was based on actual contributions to the pension plan relative to the actual contributions of all participating employers.

	Net Pension Asset at December 31, 2018	Employer Allocation Percentage at December 31, 2018	Increase (Decrease) to December 31, 2017 Rate
Primary Government Governmental Activities:			
Parochial Employees' Retirement System of Louisiana- Plan A	\$ 6,874	0.009261%	-0.00035%

The following schedule lists the pension plan's recognized pension expense for the year ended December 31, 2018:

	Total
Primary Government Governmental Activities:	
Parochial Employees' Retirement System of Louisiana - Plan A	\$ 4,990

ACADIA PARISH COMMUNICATIONS DISTRICT
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CROWLEY, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS

3. Defined Benefit Pension Plan (continued)

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

At December 31, 2018, 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	\$ -	\$ (4,450)
Changes of assumptions	8,676	-
Net difference between projected and actual earnings on pension plan investments	-	(15,881)
Changes in proportion and differences between Employer contributions and proportionate share of contributions		
Change in proportion	-	(226)
Difference in contributions	-	(38)
Employer contributions subsequent to the measurement date	6,948	-
Total	\$ 15,624	\$ (20,595)

The District reported a total of \$6,948 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, 2019.

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	\$ 860
2	(1,102)
3	(5,386)
4	(6,291)
	\$ (11,919)

ACADIA PARISH COMMUNICATIONS DISTRICT
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CROWLEY, LOUISIANA

NOTES TO BASIC 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, 2018 are as follows:

	PERS
Valuation Date	December 31, 2017
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	6.75% 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 BASIC 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 an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.62% for the year ended December 31, 2017.

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%	3.57%
Fixed income	35.0%	1.24%
Alternatives	11.0%	0.69%
Real assets	2.0%	0.12%
Total	100.0%	5.62%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.62%

ACADIA PARISH COMMUNICATIONS DISTRICT
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NOTES TO BASIC 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 6.75% 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 (Asset) (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	5.75%	6.75%	7.75%
District's Share of NPL	\$ 33,891	\$ (6,874)	\$ (43,172)

Payables to the Pension Plan

The District recorded no accrued liabilities to the Retirement System at December 31, 2018. The amount due to the Retirement System was paid prior to year end and thus no liability is accrued at December 31, 2018.

ACADIA PARISH COMMUNICATIONS DISTRICT
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CROWLEY, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS

4. Capital Assets

Capital assets activity for the year ended December 31, 2018 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	990,887	-	-	990,887
Equipment	219,354	37,854	(1,540)	255,668
Total capital assets, depreciated	<u>1,210,241</u>	<u>37,854</u>	<u>(1,540)</u>	<u>1,246,555</u>
Less accumulated depreciation for				
Buildings and improvements	(362,291)	(26,965)	-	(389,256)
Equipment	(151,675)	(14,763)	1,540	(164,898)
Total accumulated depreciation	<u>(513,966)</u>	<u>(41,728)</u>	<u>1,540</u>	<u>(554,154)</u>
Total capital assets being depreciated, net	<u>696,275</u>	<u>(3,874)</u>	<u>-</u>	<u>692,401</u>
Governmental activities capital assets, net	<u>\$ 750,275</u>	<u>\$ (3,874)</u>	<u>\$ -</u>	<u>\$ 746,401</u>

Depreciation expense for the year ended December 31, 2018 was charged as follows:

Public Safety \$ 41,728

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, 2018 was \$153,972.

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

NOTES TO BASIC 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, 2018.

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Other liabilities -					
Accrued compensated					
absences	\$ 13,154	\$ 789	\$ -	\$ 13,943	\$ 870

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).
- 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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Charges for services	\$ 880,000	\$ 907,250	\$ 990,901	\$ 83,651
Investment earnings	3,625	4,060	4,664	604
Miscellaneous revenues	200	150	125	(25)
Total revenues	<u>883,825</u>	<u>911,460</u>	<u>995,690</u>	<u>84,230</u>
EXPENDITURES				
Current -				
Public safety				
Administrative fees	-	-	8,204	(8,204)
Personnel costs	92,072	89,730	89,870	(140)
Communications	9,000	7,975	7,718	257
Contract services	185,000	233,750	232,333	1,417
Insurance	15,000	16,993	15,846	1,147
Office supplies and copying	7,500	3,965	2,908	1,057
Utilities	15,000	14,669	13,649	1,020
Training, dues, and subscriptions	10,000	5,868	10,592	(4,724)
Postage, printing, and publishing	1,500	1,160	999	161
Public relations and recognition	2,000	738	720	18
Repairs and maintenance	40,000	14,090	6,322	7,768
Transportation	35,000	2,443	2,442	1
Professional fees	20,000	18,250	18,250	-
911 equipment lease	60,000	58,615	59,246	(631)
Recorder/radio lease	60,000	51,420	50,795	625
911 line service	60,000	39,216	39,215	1
Equipment and maintenance	114,000	31,112	25,967	5,145
Road Signs and Materials	-	6,396	6,396	-
Other	16,627	9,434	9,382	52
Capital outlay	-	29,535	37,854	(8,319)
Total expenditures	<u>742,699</u>	<u>635,359</u>	<u>638,708</u>	<u>(3,349)</u>
Net change in fund balance	141,126	276,101	356,982	80,881
Fund balance, beginning	<u>2,496,682</u>	<u>2,496,682</u>	<u>3,737,676</u>	<u>1,240,994</u>
Fund balance, ending	<u>\$ 2,637,808</u>	<u>\$ 2,772,783</u>	<u>\$ 4,094,658</u>	<u>\$ 1,321,875</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, 2018 (*)

Pension Plan	Year	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered- Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Parochial Employees' Retirement System of Louisiana						
	2018	0.0093%	\$ (6,874)	\$ 57,000	-12.0596%	101.98%
	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	4.8228%	99.15%

(*) The amounts presented here have a liability measurement date of December 31 of the prior year.

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, 2018

<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						
	2018	\$ 6,948	\$ 6,948	\$ -	\$ 60,420	11.50%
	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, 2018

Director: Mary Richard

Purpose	Amount
Salary	\$ 60,420
Benefits-insurance	17,828
Benefits-retirement	6,948
Benefits-payroll taxes	876
Cell phone	967
Reimbursements	1,599
TOTAL	<u>\$ 88,638</u>

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, 2018, 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 17, 2019.

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 2018-001, that we consider to be a material weakness.



Postlethwaite & Netterville

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.

A handwritten signature in cursive script that reads "Postlethwaite & Netterville".

Lafayette, Louisiana

June 17, 2019

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

SCHEDULE OF FINDINGS AND RESPONSES

Year Ended December 31, 2018

FINDINGS – FINANCIAL STATEMENT AUDIT

2018-001 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, 2017

FINDINGS – PRIOR FINANCIAL STATEMENT AUDIT

2017-001 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.

Current Status:

Not resolved. See finding 2018-001.

ACADIA PARISH COMMUNICATIONS DISTRICT

REPORT ON STATEWIDE
AGREED-UPON PROCEDURES ON COMPLIANCE
AND CONTROL AREAS

FOR THE YEAR ENDED DECEMBER 31, 2018



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, 2018 through December 31, 2018. 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 17, 2019

**ACADIA PARISH COMMUNICATIONS DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2018**

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. Additionally, certain procedures listed below may not have been performed in accordance with guidance provided by the Louisiana Legislative Auditor, the specified user of the report. For those procedures, “procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity” is indicated.

Written Policies and Procedures

1. Obtain and inspect the entity’s written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity’s operations):

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. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

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.

**ACADIA PARISH COMMUNICATIONS DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2018**

Schedule A

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

No exception noted.

- 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) continuing disclosure/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

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

The Board met quarterly during the period January 1, 2018 through December 31, 2018.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

The Board's policies and procedures notate that the Board shall review budget-to-actual comparisons at each quarterly Board meeting. Of the 4 Board meetings that took place during the year, Board minutes do not reference this review for 1 of the meetings.

**ACADIA PARISH COMMUNICATIONS DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2018**

Schedule A

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

This procedure is not applicable. There is a positive ending unrestricted fund balance in the prior year audit report.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

A listing of bank accounts was provided and included a total of 2 bank accounts. Management identified the entity's main operating account. A signed representation by management was obtained on the completeness of the listing provided.

From the listing provided, we selected both accounts and obtained the bank reconciliations for each of the 1 of the 12 months ending December 31, 2018, resulting in 2 bank reconciliations obtained and subjected to the below procedures.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

No exceptions noted.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Of the 2 bank reconciliations obtained, neither included evidence of management or board member review.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Of the 2 bank reconciliations obtained, 1 reconciliation had reconciling items that have been outstanding for more than 12 months. There was no documentation evidencing that these reconciling items were researched for proper disposition.

**ACADIA PARISH COMMUNICATIONS DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2018**

Schedule A

Collections

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

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

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

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

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

As there is only one employee at the District, this is not applicable.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

For the 1 location selected for our procedures, the employee responsible for collecting cash is responsible for preparing/making bank deposits, and there is not another employee/official responsible for reconciling collection documentation to the deposit.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

For the 1 location selected for our procedures, the employee responsible for collecting cash is responsible for posting collection entries to the general ledger and subsidiary ledgers, and there is not another employee/official responsible for reconciling ledger postings to each other and to the deposit.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

The employee responsible for reconciling cash collections to the general ledger is responsible for collecting cash, and another employee does not verify the reconciliation.

**ACADIA PARISH COMMUNICATIONS DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2018**

Schedule A

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

The District stated that all employees who have access to cash are bonded and/or covered under the District's insurance policy.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

One of the bank accounts identified by management included only interest deposits. Thus, this procedure was applicable for only 1 of the 2 bank accounts tested above (the operating account). For the operating account, we randomly selected two deposit dates. We obtained supporting documentation for each of the 2 deposits and performed the procedures below.

- a) Observe that receipts are sequentially pre-numbered.

The District does not maintain sequentially pre-numbered receipts.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

The District does not maintain sequentially pre-numbered receipts, system reports, or other related collection documentation. As such, we were unable to perform the procedure.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions noted

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

The Entity does not maintain collection logs or other similar documentation and written policies and procedures do not require such documentation. Therefore, P&N observed the date stamped "received" on the remittance advice. For 2 deposit dates selected, one was made two days after payments were received. The second deposit's support had no indication of date received and thus the date of receipt versus deposit could not be determined.

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

No exceptions noted.

**ACADIA PARISH COMMUNICATIONS DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2018**

Schedule A

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

Procedures under this section were not performed due to no exceptions occurring for these procedures in the prior year or the existence of mitigating internal controls as asserted by the Entity.

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

Procedures under this section were not performed due to no exceptions occurring for these procedures in the prior year or the existence of mitigating internal controls as asserted by the Entity.

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

Procedures under this section were not performed due to no exceptions occurring for these procedures in the prior year or the existence of mitigating internal controls as asserted by the Entity.

Contracts

Procedures under this section were not performed due to no exceptions occurring for these procedures in the prior year or the existence of mitigating internal controls as asserted by the Entity.

Payroll and Personnel

Procedures under this section were not performed due to no exceptions occurring for these procedures in the prior year or the existence of mitigating internal controls as asserted by the Entity.

Ethics

Procedures under this section were not performed due to no exceptions occurring for these procedures in the prior year or the existence of mitigating internal controls as asserted by the Entity.

Debt Service

Procedures under this section were not performed due to no exceptions occurring for these procedures in the prior year or the existence of mitigating internal controls as asserted by the Entity.

Other

Procedures under this section were not performed due to no exceptions occurring for these procedures in the prior year or the existence of mitigating internal controls as asserted by the Entity.

**ACADIA PARISH COMMUNICATIONS DISTRICT
MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN
DECEMBER 31, 2018**

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

Management will review the contracting procedures to include review by legal member and verify that standard terms are included. Management will review the travel and ethics policies.

Board or Finance Committee

Management understands the importance of reviewing financial statements and will work at being more diligent in documenting review of these financial statements in 2019.

Bank Reconciliations

Per District policy, a board member opens the bank statement. They will be reminded to initial the statement after reviewing the bank statement and bank reconciliation in 2019. Management will ensure appropriate evidence is documented related to reconciling items on bank reconciliations.

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. Management has contacted the financial institution to obtain sequenced deposit slips.