
**ASCENSION PARISH COMMUNICATIONS
DISTRICT**

FINANCIAL REPORT

DECEMBER 31, 2016

ASCENSION PARISH COMMUNICATIONS DISTRICT

FINANCIAL STATEMENTS

DECEMBER 31, 2016

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INDEPENDENT AUDITORS' REPORT

To the Members of the Board of Commissioners
Ascension Parish Communications District
Gonzales, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Ascension Parish Communications District (the District), a component unit of the Ascension Parish Council, as of and for the year then ended, December 31, 2016, and the related notes to the financial statement, 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 statements contained in *Governmental 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 error or fraud. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Ascension Parish Communications District, as of December 31, 2016, and the respective changes in financial position, thereof for the year then ended in conformity 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 and budgetary comparison information on pages 4 through 9, and page 23, respectively, 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 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 agency head or chief executive officer is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of compensation, and the benefits and other payments to agency head or chief executive officer is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 agency head or chief executive officer 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 30, 2017, 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 the 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.



Gonzales, Louisiana
June 30, 2017

ASCENSION PARISH COMMUNICATIONS DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

This section of District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on December 31, 2016. This MD&A should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's combined total net position decreased by \$999 over the course of the year's operations.
- During the year, the District's expenses were \$999 less than the \$1,486,433 generated in revenues.
- The District's general fund balance decreased \$32,408 to \$1,435,691 at the completion of the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts-management's discussion and analysis (this section), the basic financial statements, required supplementary information, and other supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District's government, reporting the District's operations in more detail than the government-wide statements.
- The governmental funds statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

ASCENSION PARISH COMMUNICATIONS DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

Figure A-1
Major Features of District's Government Wide and Fund Financial Statements

	Government-wide Statements	Governmental Funds
Scope	Entire District Government	The activities of the District
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of revenues, expenditures, and changes in fund balances
Accounting basis and measurements focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments are due during the year or soon thereafter

ASCENSION PARISH COMMUNICATIONS DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets and liabilities, is one way to measure the District's financial health, or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's telephone customer base.

The government-wide financial statements of the District are divided into two categories:

- Governmental activities-most of the District's basic services are included here. Fees, charges, and interest finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds-not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.

The District has one kind of fund:

- Governmental funds-All the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.

ASCENSION PARISH COMMUNICATIONS DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's net position remained relatively constant between fiscal years 2016 and 2015. (See Table A-1.)

Table A-1
District's Net Position
Governmental Activities

	2016	2015
Current and other assets	\$ 1,880,225	\$ 1,772,746
Capital assets, net	979,129	1,081,785
Total assets	2,859,354	2,854,531
Current liabilities	265,817	245,952
Long term liabilities	527,287	647,534
Total liabilities	793,104	893,486
Net position		
Net investment in capital assets	451,842	434,251
Unrestricted	1,614,408	1,632,998
Total net position, restated	\$ 2,066,250	\$ 2,067,249

Net position of the District's governmental activities decreased approximately \$999. There was also a decrease in capital assets of approximately \$103,000 mainly due to normal depreciation. The District purchased approximately \$138,000 in new equipment in 2016.

Changes in net position. The District's total revenues for all programs were \$1,486,433 at year end (See Table A-2.) Approximately 97 percent of the District's revenue comes from commissions on telephone bills.

The total cost of all programs and services were \$1,487,432. The District's expenses cover all services performed by its office.

ASCENSION PARISH COMMUNICATIONS DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

Governmental Activities

Revenues for the District's governmental activities increased 1.5 percent and total expenses decreased 5.4 percent.

Table A-2
Changes in District's Net Position

	Governmental Activities	
	2016	2015
Revenues		
Program revenues		
Charges for services	\$ 1,385,826	\$ 1,371,412
General revenues		
Interest	1,737	868
Intergovernmental	81,835	70,060
LSA Reimbursement	17,035	16,309
Other	-	25,000
Total revenues	1,486,433	1,483,649
Expenses		
General government	1,487,432	1,573,031
Total expenses	1,487,432	1,573,031
Decreases in net position	\$ (999)	\$ (89,382)

- The cost of all governmental activities this year decreased by approximately 5.4 percent to \$1,487,432.

FINANCIAL ANALYSIS OF THE FUNDS

As the District completed the year, its general fund reported a fund balance of \$1,435,691, a decrease from last year of \$32,408.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Board revised the General Fund budget. The budget amendments are as follows:

- Sheriff's compensation increased \$65,000
- Capital outlay increased \$122,700
- Insurance increased \$9,300
- Maintenance increased \$30,000
- Wireless revenue increased \$11,700

ASCENSION PARISH COMMUNICATIONS DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2016, the District had invested \$979,129 in capital assets. (See Table A-3)

Table A-3
District's Capital Assets
 (net of depreciation)

	Governmental Activities	
	2016	2015
Improvements	\$ 422,849	\$ 422,849
Equipment	4,425,616	4,287,417
Accumulated Depreciation	<u>(3,869,336)</u>	<u>(3,628,481)</u>
Net Capital Assets	<u>\$ 979,129</u>	<u>\$ 1,081,785</u>

During the year, the District purchased a new tower to upgrade and enhance the communication functions throughout Ascension Parish totaling \$138,199.

Long-term debt

The District has a capital lease with Motorola to finance the purchase of equipment. The total debt outstanding as of December 31, 2016 was \$527,287.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District is dependent on commissions on telephone bills for approximately 97 percent of its revenues. The economy is not expected to generate any significant growth. Therefore, the District's future revenues are expected to be consistent with the current years. The budget for the 2017 year has no significant changes from the year 2016's budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Jeffrey Wiley, Sheriff, Post Office Box 1238, Gonzales, La 70707-1238.

ASCENSION PARISH COMMUNICATIONS DISTRICT

STATEMENT OF NET POSITION

DECEMBER 31, 2016

ASSETS

Cash and cash equivalents	\$ 1,432,031
Receivables	269,477
Prepaid expenses	178,717
Capital assets, net of accumulated depreciation	<u>979,129</u>
 TOTAL ASSETS	 <u>2,859,354</u>

LIABILITIES

Accounts payable	265,817
Long-term liabilities	
Due within one year	124,708
Due in more than one year	<u>402,579</u>
 TOTAL LIABILITIES	 <u>793,104</u>

NET POSITION

Invested in capital assets, net of related debt	451,842
Unrestricted	<u>1,614,408</u>
 TOTAL NET POSITON	 <u>\$ 2,066,250</u>

The accompanying notes are an integral part of this financial statement.

ASCENSION PARISH COMMUNICATIONS DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Service</u>	<u>Governmental Unit</u>
<u>FUNCTIONS/PROGRAMS</u>			
Governmental activities:			
General government	\$ 1,487,432	\$ 1,385,826	\$ (101,606)
Total governmental activities	<u>1,487,432</u>	<u>1,385,826</u>	<u>(101,606)</u>
General Revenues:			
Interest			1,737
Intergovernmental			81,835
LSA Reimbursed			<u>17,035</u>
Total general revenues			<u>100,607</u>
Change in net position			(999)
Net position - January 1, 2016, as restated			<u>2,067,249</u>
Net position - December 31, 2016			<u>\$ 2,066,250</u>

The accompanying notes are an integral part of this financial statement.

ASCENSION PARISH COMMUNICATIONS DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016

ASSETS

	<u>General Fund</u>
Cash	\$ 955,002
Certificates of deposit	477,029
Accounts receivable	269,397
Accrued interest receivable	<u>80</u>
Total assets	<u>\$ 1,701,508</u>

LIABILITIES AND FUND BALANCE

Liabilities	
Accounts payable	<u>\$ 265,817</u>
Fund balance	
Unassigned	<u>1,435,691</u>
Total fund balance	<u>1,435,691</u>
Total liabilities and fund balance	<u>\$ 1,701,508</u>

The accompanying notes are an integral part of this financial statement.

ASCENSION PARISH COMMUNICATIONS DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2016

Total fund balances - Governmental Funds		\$ 1,435,691
Prepaid expenses		178,717
Cost of capital asset at December 31, 2016	4,848,465	
Less: accumulated depreciation as of December 31, 2016	<u>(3,869,336)</u>	979,129
Long-term liabilities at December 31, 2016		
Capital lease payable		<u>(527,287)</u>
Total net position at December 31, 2016 - Governmental Activities		<u>\$ 2,066,250</u>

The accompanying notes are an integral part of this financial statement.

ASCENSION PARISH COMMUNICATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2016

	<u>General Fund</u>
<u>REVENUES</u>	
Fees and charges - wireline	\$ 383,527
Fees and charges - wireless	1,002,299
Intergovernmental	81,835
LSA reimbursement	17,035
Interest income	1,737
	<u>1,486,433</u>
Total Revenues	
<u>EXPENDITURES</u>	
General Government:	
Telephone	74,655
Professional fees	25,670
General	588
Insurance	94,873
Maintenance	255,181
Reimbursed expenses to Sheriff	750,186
Tower links	24,401
Training	10,817
Capital outlay	138,199
Debt Service	
Principal	120,247
Interest	24,024
	<u>1,518,841</u>
Total Expenditures	
Excess of revenues under expenditures	(32,408)
Fund balance, beginning of year	<u>1,468,099</u>
Fund balance, end of year	<u><u>\$ 1,435,691</u></u>

The accompanying notes are an integral part of this financial statement.

ASCENSION PARISH COMMUNICATIONS DISTRICT
RECONCILIATION TO THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
DECEMBER 31, 2016

Excess of Revenues over (under) Expenditures		\$ (32,408)
Change in Prepaid expenses		13,818
Capital Assets:		
Capital outlay capitalized	138,199	
Depreciation expense for year ended December 31, 2016	<u>(240,855)</u>	(102,656)
Long-Term Debt:		
Principal portion of capital lease note		<u>120,247</u>
Change in Net Position - Governmental Activities		<u>\$ (999)</u>

The accompanying notes are an integral part of this financial statement.

ASCENSION PARISH COMMUNICATIONS DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Louisiana Revised Statutes 33:9101 – 9106, the Ascension Parish Communications District (the District) was created to provide emergency communications to the residents of Ascension Parish. The District was created by the Ascension Parish Council, who in turn appoints a Board to manage the affairs of the District. The Board appoints a Director to function as the manager. Each member serves on a voluntary basis. The District serves approximately 117,000 residents and a geographic area of approximately 303 square miles. There currently are no employees and the Ascension Parish Sheriff serves as the director on a voluntary basis.

The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

As the governing authority of the parish, for reporting purposes, the Ascension Parish Council is the financial reporting entity for Ascension Parish. The financial reporting entity consists of (a) the primary government (council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Codification Section 2100, established criteria for determining which component units should be considered part of the Ascension Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the municipality to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the council.
2. Organizations for which the council does not appoint a voting majority but are fiscally dependent on the council.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Council appoints all members to the District's Board of Commissioners, the District is a component unit of the Ascension Parish Council, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

ASCENSION PARISH COMMUNICATIONS DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government, except for fiduciary activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental and enterprise funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as investment earnings, result from nonexchange transactions or ancillary activities.

The District reports the following major governmental funds:

- a. General Fund - The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The General Fund was established in compliance with Louisiana Revised Statute 33:9106, which provides that a percentage of the telephone bills collected throughout the parish be transmitted to the District to defray its expenditures.

C. Measurement Focus, Basis of Accounting

Government-wide Financial Statements. The government-wide financial statements are reported using the economic resources measurement focus, and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

ASCENSION PARISH COMMUNICATIONS DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting (continued)

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Interest is susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds

D. Budgetary Practices

The proposed budgets for fiscal year 2016 were completed and made available for the public inspection. A public hearing was held for suggestions and comments from taxpayers. The proposed fiscal year 2016 budgets were formally adopted by the District after the public hearing. The budget, which included proposed expenditures and the means of financing them, for the General Fund, was published in the official journal ten days prior to the public hearings. The budget for the General Fund was prepared on the modified accrual basis of accounting. All appropriations lapse at year end.

When actual revenues within a fund are failing to meet estimated annual budgeted revenues by five percent or more, and/or actual expenditures are exceeding estimated budgeted expenditures by five percent or more, the budget should be amended to reflect such changes and adopted by the District in an open meeting. Budgeted amounts included in the financial statements include the original adopted budget, or as amended by the Communication District.

E. Cash and cash equivalents

Cash and cash equivalents include demand deposits, interest-bearing demand deposit accounts, and certificates of deposit. The District considers all cash accounts and certificates of deposit with a maturity of three months or less when purchased to be cash and cash equivalents.

F. Capital Assets

All capital assets are capitalized at historical cost, or estimated historical costs for assets where actual cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over their estimated useful lives. Useful lives vary from 5 to 25 years.

ASCENSION PARISH COMMUNICATIONS DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. Restricted Net Position

For the government-wide statement of net position, equity is divided into three components:

- Net investments in capital assets-consist of historical costs of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net position-consists of assets that are restricted by the District's grantors (both federal and state)
- Unrestricted-all other net position is reported in this category

H. Fund Equity of Fund Financial Statements

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

Nonspendable- represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted- represents balances where constraints have been established by parties outside the District or imposed by law through constitutional provisions or enabling legislation.

Committed- represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority.

Assigned- represents balances that are constrained by the government's intent to be used for specific purposes, but are not restricted or committed.

Unassigned- represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

When expenditures are incurred for the 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.

ASCENSION PARISH COMMUNICATIONS DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

2. CASH

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

3. CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a deposit policy for custodial risk. As of December 31, 2016, these deposits were completely collateralized and/or insured.

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2016, are as follows:

	<u>Improvements</u>	<u>Equipment</u>	<u>Total</u>
Cost of Capital Assets, December 31, 2015	\$ 422,849	\$ 4,287,417	\$ 4,710,266
Additions	-	138,199	138,199
Deletions	-	-	-
Cost of Capital Assets, December 31, 2016	<u>422,849</u>	<u>4,425,616</u>	<u>4,848,465</u>
Accumulated depreciation, December 31, 2015	422,599	3,205,882	3,628,481
Additions	250	240,605	240,855
Deletions	-	-	-
Accumulated depreciation, December 31, 2016	<u>422,849</u>	<u>3,446,487</u>	<u>3,869,336</u>
Capital assets, net of accumulated depreciation at December 31, 2016	<u>\$ -</u>	<u>\$ 979,129</u>	<u>\$ 979,129</u>

For the year ended December 31, 2016, depreciation expense was \$240,855.

ASCENSION PARISH COMMUNICATIONS DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

5. LONG-TERM DEBT

The following is a summary of the changes in general long-term debt for the year ended December 31, 2016:

	Balance December 31, 2015	Additions	Deletions	Balance December 31, 2016
Capital Lease Obligation	\$ 647,534	\$ -	\$ 120,247	\$ 527,287

6. LEASES

The District records items under capital leases as assets and obligations in the accompanying financial statements. The District had one capital lease in 2016.

The following is a summary of the future minimum lease payments under the capital lease and the present value of the net minimum lease payments as of December 31, 2016.

Year Ending December 31	Future minimum lease payments	Interest Payments	Present value of net minimum lease payments
2017	\$ 144,271	\$ 19,562	\$ 124,709
2018	144,271	14,936	129,335
2019	144,271	10,137	134,134
2020	144,271	5,162	139,109
Total	\$ 577,084	\$ 49,797	\$ 527,287

7. INTERGOVERNMENTAL AGREEMENT

The District has an intergovernmental agreement with the Ascension Parish Sheriff's Office. The Sheriff provides for the housing, maintenance, operation, and staffing of the Ascension Parish 911 Center. The amount paid to the Sheriff's office is 75% of the annual net income defined as all recurring revenues of the District less recurring expenditures without regard to capital outlay and the fees to the Sheriff, with the understanding that the District is guaranteed at least \$100,000 of the annual net income. The fees are payable at the end of each quarter during the term of this agreement. The District has a payable due to the Sheriff's office in the amount of \$243,414 at December 31, 2016.

ASCENSION PARISH COMMUNICATIONS DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

7. INTERGOVERNMENTAL AGREEMENT (continued)

The District has an intergovernmental agreement with the Parishes of St. James, St. John, and other governmental entities within Ascension Parish. The District owns and operates a two-way radio communications system (i.e. "Master Site"). The agreements were initiated due to the various entities having reached an "end of support" for availability of parts. Thus, connecting their radio coverage for day-to-day operations as well as in times of disaster. Each governmental entity shall incur costs for its fair share of maintenance of the Master Site, with said costs being calculated according to the pro rata share of radios owned and utilized by each applicable entity. In addition to the prorated maintenance cost, a five percent (5%) administrative fee is assessed. These fees are payable to the District at the end of each quarter during the term of this agreement. The District has a receivable due from each entity in the amount of \$20,459 at December 31, 2016.

8. STATUS OF IMPLEMENTATION OF WIRELESS E911 SERVICE

The District completed phase one and two implementation with all wireless companies during 2006.

9. PRIOR PERIOD ADJUSTMENT

In the government-wide financial statements, the beginning net position for the governmental activities has been restated due to a correction in the prepaid asset balance.

Government Wide Financial Statements

	Governmental Activities
Net position, beginning of year, as previously stated	\$ 1,961,045
Increase for change in prior year prepaid balance	106,204
Net position, as restated	<u>\$ 2,067,249</u>

10. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 30, 2017, and determined that no events occurred that require disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

ASCENSION PARISH COMMUNICATION DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Original</u>	<u>Final</u>	<u>Actual</u>
<u>REVENUES</u>			
Fees and charges - wireline	\$ 350,000	\$ 350,000	\$ 383,527
Fees and charges - wireless	925,000	936,700	1,002,299
Intergovernmental	75,000	75,000	81,835
LSA reimbursement	14,000	14,000	17,035
Interest income	2,000	2,000	1,737
Total Revenues	<u>1,366,000</u>	<u>1,377,700</u>	<u>1,486,433</u>
<u>EXPENDITURES</u>			
Operating expense			
General	5,000	5,000	588
Insurance	85,700	95,000	94,873
Maintenance	230,000	260,000	255,181
Professional fees	30,000	30,000	25,670
Reimbursed fees to sheriff	685,000	750,000	750,186
Telephone	90,000	90,000	74,655
Tower links	24,300	24,300	24,401
Training	20,000	20,000	10,817
Capital Outlay	15,729	138,429	138,199
Capital lease principal	120,247	120,247	120,247
Interest and bank charges	24,024	24,024	24,024
Total Expenditures	<u>1,330,000</u>	<u>1,557,000</u>	<u>1,518,841</u>
Excess of revenues (under) over Expenditures	36,000	(179,300)	(32,408)
Fund balance, beginning of year	<u>1,290,366</u>	<u>1,199,666</u>	<u>1,468,099</u>
Fund balance, end of year	<u>\$ 1,326,366</u>	<u>\$ 1,020,366</u>	<u>\$ 1,435,691</u>

ASCENSION PARISH COMMUNICATIONS DISTRICT

SCHEDULE OF COMPENSATION, BENEFITS, & OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
DECEMBER 31, 2016

Agency Head Name/Title : Jeffery Wiley, Chairman of Board

Purpose	Amount
Salary	0
Benefits - insurance	0
Benefits - retirement	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Un-vouchered expenses	0
Special meals	0

OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS

ASCENSION PARISH COMMUNICATIONS DISTRICT

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED DECEMBER 31, 2016

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements of Ascension Parish Communications District.
2. No significant deficiencies were reported in the audit of the financial statements of Ascension Parish Communications District.
3. No instances of noncompliance material to the financial statements of Ascension Parish Communications District were reported during the audit.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

INTERNAL CONTROLS

None

NON COMPLIANCE

None

ASCENSION PARISH COMMUNICATIONS DISTRICT

SCHEDULE OF PRIOR YEAR FINDINGS

YEAR ENDED DECEMBER 31, 2016

A. FINDINGS - FINANCIAL STATEMENTS

None

B. FINDINGS – NON COMPLIANCE WITH STATE LAWS AND REGULATIONS

None



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

Members of the Board of Commissions
Ascension Parish Communications District
Gonzales, 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 of the United States, the financial statements of the governmental activities and the major fund information of the Ascension Parish Communications District, a component unit of the Ascension Parish Council, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise Ascension Parish Communications District's basic financial statements and have issued our report thereon dated June 30, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ascension Parish Communications 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 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 timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less than a material weakness, yet important enough to merit attention by those charged with governance.

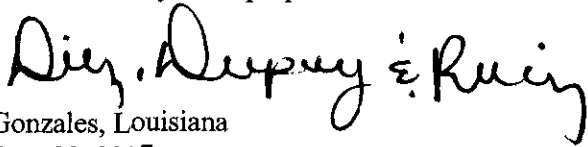
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 Ascension Parish Communications District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Gonzales, Louisiana
June 30, 2017