

**Bossier Parish Communications District Number One
Benton, Louisiana**

Financial Statements With Auditor's Report

As of and For the Year Ended December 31, 2017

Bossier Parish Communications District Number One
Benton, Louisiana

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1 – 3
Required Supplementary Information Management's Discussion and Analysis	4 – 9
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements	
Balance Sheet – Governmental Fund	12
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Fund	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Fund to the Statement of Activities	14
Notes to the Financial Statements	15 – 37
Required Supplementary Information	
Budgetary Comparison Schedule	38
Note to Required Supplementary Information	39
Schedule of Funding Progress for Retiree Health, Dental, and Life Plans	40
Schedule of Proportionate Share of Net Pension Liability	41
Schedule of Contributions	42
Other Supplementary Information	
Supplementary Information In Accordance with Louisiana Revised Statute 33:9109E	43
Schedule of Compensation, Benefits, and Other Payments to Agency Head	44
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	45 - 46
Schedules For Louisiana Legislative Auditor	
Summary Schedule of Prior Year Audit Findings	47
Corrective Action Plan For Current Year Audit Findings	47

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Independent Auditors' Report

To the Members of the
Board of Commissioners
Bossier Parish Communications District Number One
Benton, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of the Bossier Parish Communications District Number One (the "District"), a component unit of the Bossier Parish Police Jury, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Bossier Parish Communications District Number One'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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 major fund of the Bossier Parish Communications District Number One as of December 31, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Effect of Adopting New Accounting Standard

As discussed in Note 5, GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. The scope of this statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. The effective date of the Statement is for fiscal years beginning after June 15, 2017. Bossier Parish Communication District Number One has not yet determined the effect of the standard on its financial statements, but expects that the new standard will have a material effect on the financial statements for the year ended December 31, 2018. Our opinion is not modified with respect to that matter.

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 4-9 and 38-39, the Schedule of Funding Progress for Retiree Health, Dental, and Life plans on page 40, the Schedule of Proportionate Share of Net Pension Liability on page 41, and the Schedule of Contributions on page 42, 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

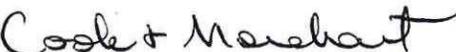
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bossier Parish Communications District Number One's basic financial statements. The other supplementary information listed in the table of contents and shown on page 43 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively

comprise the Bossier Parish Communications District Number One, a component unit of the Bossier Parish Police Jury's, basic financial statements. The accompanying other supplementary information listed in the table of contents as Schedule of Compensation, Benefits, and Other Payments to Agency Head and shown on page 44 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying Schedule of Compensation, Benefits, and Other Payments to Agency Head is the responsibility of management and was 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 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 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 a report dated June 5, 2018, on our consideration of the Bossier Parish Communications District One'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 solely 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 effectiveness of Bossier Parish Communication District Number One's 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 Bossier Parish Communications District Number One's internal control over financial reporting and compliance.


Cook & Morehart
Certified Public Accountants
June 5, 2018

BOSSIER PARISH COMMUNICATIONS DISTRICT NUMBER ONE

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Bossier Parish Communications District Number One's financial performance provides an overview of the Bossier Parish Communications District Number One's financial activities for the fiscal year ended December 31, 2017. Please read it in conjunction with the District's financial statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

The Bossier Parish Communications District Number One's net position increased by \$516,325 or 16%.

The Bossier Parish Communications District Number One's total revenues were \$2,400,742 in 2017 compared to \$1,600,483 in 2016.

During the year ended December 31, 2017, the Bossier Parish Communications District Number One had total expenses, excluding depreciation of \$1,720,537, compared to \$1,625,199 for 2016.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 10 and 11) provide information about the activities of the Bossier Parish Communications District Number One as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 12. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Bossier Parish Communications District Number One's operations in more detail than the government-wide statements by providing information about the Bossier Parish Communications District Number One's most significant funds.

The Bossier Parish Communications District Number One was determined to be a component unit of the Bossier Parish Policy Jury. The Policy Jury is financially accountable for the district because it appoints or ratifies a voting majority of the board and has the ability to impose its will on them. The accompanying financial statements present information only on the funds maintained by the Bossier Parish Communications District Number One.

Reporting the Bossier Parish Communications District Number One as a Whole

Our analysis of the Bossier Parish Communications District Number One as a whole begins on page 10. One of the most important questions asked about the Bossier Parish Communications District Number One's finances is "Is the Bossier Parish Communications District Number One as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the funds maintained by the Bossier Parish Communications District Number One as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Bossier Parish Communications District Number One's *net position* and changes in it. You can think of the Bossier Parish Communications District Number One's net position – the difference between assets and liabilities – as one way to measure the Bossier Parish Communications District Number One's financial health, or *financial position*. Over time, *increases* or *decreases* in the Bossier Parish Communications District Number One's net position is one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors, however, to assess the overall health of the District.

In the Statement of Net Position and the Statement of Activities, we record the funds maintained by the Bossier Parish Communications District Number One as governmental activities:

Governmental activities – all of the expenses paid from the funds maintained by the Bossier Parish Communications District Number One are reported here which consists primarily of personal services, materials and supplies, contractual and other services, and other program services. Telephone tariffs / sur-charges finance most of these activities.

Reporting the District's Most Significant Funds

Our analysis of the major funds maintained by the Bossier Parish Communications District Number One begins on page 12. The fund financial statements begin on page 12 and provide detailed information about the most significant funds maintained by the Bossier Parish Communications District Number One– not the Bossier Parish Communications District Number One as a whole. The Bossier Parish Communications District Number One's *governmental funds* use the following accounting approaches:

Governmental funds – All of the Bossier Parish Communications District Number One's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual*

accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Bossier Parish Communications District Number One's general government operations and the expenses paid from those funds. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance certain Bossier Parish Communications District Number One expenses. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* in reconciliation at the bottom of the fund financial statements.

THE BOSSIER PARISH COMMUNICATIONS DISTRICT NUMBER ONE AS A WHOLE

The Bossier Parish Communications District Number One's total net position changed from a year ago, increasing from \$3,389,767 to \$3,906,092. Our analysis below will focus on key elements of the total governmental funds for the years ended December 31, 2017 and 2016.

Table 1
Net Position

	Governmental Activities	
	2017	2016
Current and other assets	\$ 3,595,977	\$ 2,857,122
Capital assets	853,942	904,774
Total assets	<u>4,449,919</u>	<u>3,761,896</u>
Deferred outflows of resources - pension related	<u>374,736</u>	<u>497,162</u>
Current liabilities	872	870
Long-term liabilities:		
Due in more than one year	869,122	813,010
Total liabilities	<u>869,994</u>	<u>813,880</u>
Deferred inflows of resources - Pension related	<u>48,569</u>	<u>55,411</u>
Net position:		
Investment in capital assets	853,942	904,774
Unrestricted	3,052,150	2,484,993
Total net position	<u>\$ 3,906,092</u>	<u>\$ 3,389,767</u>

Net position of the Bossier Parish Communications District Number One's governmental activities increased by \$516,325 or 16%. Unrestricted net position, the part of net position that can be used to finance Bossier Parish Communications District Number One expenses without constraints or other legal requirements, increased from \$2,484,993 at December 31, 2016 to \$3,052,150 at December 31, 2017.

Table 2
Change in Net Position

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Revenues		
General Revenues		
Telephone tariffs and cellular phone revenues	\$ 2,191,467	\$ 1,554,655
Intergovernmental revenues	127,908	
Miscellaneous revenues	833	2,812
Interest income	43,480	33,453
Program Revenues		
Operating grants and contributions	9,843	9,563
Capital grants and contributions	27,211	
Total revenues	<u>2,400,742</u>	<u>1,600,483</u>
Expenses		
Public safety	<u>1,884,417</u>	<u>1,790,703</u>
Increases (decrease) in net position	<u>\$ 516,325</u>	<u>\$ (190,220)</u>

Total revenues increased \$800,259, from total revenues in the year ended December 31, 2016 of \$1,600,483 to total revenues of \$2,400,742 in the year ended December 31, 2017.

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented in the balance sheet on page 12) reported a *combined* fund balance of \$3,436,167, which is higher than last year's fund balance of \$2,754,217.

General Fund Budgetary Highlights

The District adopted a budget for its General Fund for the year ended December 31, 2017. There was one amendment to the budget during the year. The District's budgetary comparison is presented as required supplementary information and shown on page 38. Highlights for the year are as follows:

- Actual revenues were higher than anticipated for the cellular industry.
- Actual expenses were lower due to less capital outlay and contractual expenditures than anticipated.

The District's General Fund balance of \$3,436,167 reported on page 12 differs from the General Fund's *budgetary* fund balance of \$3,107,466 reported in the budgetary comparison schedule on page 38. This is primarily due to the District budgeting on the cash basis of accounting.

CAPITAL ASSETS

At the end of December 31, 2017 and 2016, the Bossier Parish Communications District Number One had invested \$853,942 and \$904,774, respectively in capital assets. (see table 3 below)

Table 3
Capital Assets At Year End
(Net of Depreciation)

	Governmental Activities	
	2017	2016
Land	\$ 32,480	\$ 32,480
Buildings	267,790	317,191
Equipment	540,610	555,103
Vehicles	13,062	
Total	\$ 853,942	\$ 904,774

This year's major additions included:

Equipment	\$ 98,262	\$ 5,107
Vehicles	14,786	
Buildings		13,000
Total	\$ 113,048	\$ 18,107

More detailed information about the capital assets are presented in Note 6 to the financial statements.

DEBT ADMINISTRATION

Long-term liabilities of the Bossier Parish Communication District One are summarized as follows:

	Governmental Activities	
	2017	2016
Other post-employment benefit obligation	\$ 594,700	\$ 467,064
Net pension liability	<u>274,422</u>	<u>345,946</u>
Governmental activities - long-term liabilities	<u>\$ 869,122</u>	<u>\$ 813,010</u>

More detailed information about the long-term liabilities is presented in Notes 7 and 8 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Bossier Parish Communications District Number One's management considered many factors when setting a fiscal year December 31, 2018 budget. Amounts available for appropriation in the governmental funds are expected to remain basically the same as 2017.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the finances for those funds maintained by the Bossier Parish Communications District Number One and to show the Bossier Parish Communications District Number One's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Administrator of Bossier Parish Communication District #1 at P.O. Box 847, Benton, Louisiana 71006.

Bossier Parish Communications District Number One
 Benton, Louisiana
 Statement of Net Position
 December 31, 2017

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 972,899
Investments	2,123,000
Receivables	444,704
Prepaid insurance	55,374
Capital assets	
Depreciable (net)	821,462
Non-depreciable	32,480
Total assets	4,449,919
DEFERRED OUTFLOWS OF RESOURCES - Pension Related	374,736
LIABILITIES	
Accounts payable	872
Long-term liabilities:	
Due in more than one year	869,122
Total liabilities	869,994
DEFERRED INFLOWS OF RESOURCES	
Pension related	48,569
Total deferred inflows of resources	48,569
NET POSITION	
Investment in capital assets	853,942
Unrestricted	3,052,150
Total net position	\$ 3,906,092

See accompanying notes to the basic financial statements.

Bossier Parish Communications District Number One
 Benton, Louisiana
 Statement of Activities
 For the Year Ended December 31, 2017

GOVERNMENTAL ACTIVITIES

Expenses:

Public Safety	
Personal services	\$ 1,371,300
Materials and supplies	39,145
Contractual and other services	310,092
Depreciation	163,880
Total expenses	<u>1,884,417</u>

Program revenues:

Operating grants and contributions	9,843
Capital grants and contributions	27,211
Total program revenues	<u>37,054</u>

Net program revenues (expenses) (1,847,363)

General revenues:

Telephone tariffs	646,734
Cellular phone revenue	1,544,733
Intergovernmental	127,908
Interest Income	43,480
Other	833
Total general revenues	<u>2,363,688</u>

Change in net position 516,325

Net position - beginning 3,389,767

Net position - ending \$ 3,906,092

See accompanying notes to the basic financial statements.

Bossier Parish Communications District Number One
 Benton, Louisiana
 Balance Sheet
 Governmental Fund
 December 31, 2017

	General Fund
Assets	
Cash	\$ 972,899
Investments	2,123,000
Receivables	444,704
Total assets	\$ 3,540,603
Liabilities	
Accounts payable	872
Total liabilities	872
Deferred inflows of resources	
Unavailable revenue	
Prepaid cellular fees	78,564
GIS fees	25,000
Total deferred inflows of resources	103,564
Fund balance	
Assigned	
Equipment - operational upgrade	1,100,000
Unassigned	2,336,167
Total fund balance	3,436,167
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	853,942
Other long-term assets and other amounts are not available to pay for current-period expenditures and therefore are not available in the fund statements.	
Unavailable revenue	103,564
Deferred outflows - pension related	374,736
The nonallocation method of accounting for prepayments is used in the fund statements, since the prepayment does not provide expendable financial resources.	55,374
Long-term liabilities and other amounts that are not due and payable in the current period and therefore are not reported in the funds.	
Other Post Employment Benefits	(594,700)
Net Pension Liability	(274,422)
Deferred inflows - pension related	(48,569)
Net position of governmental activities	\$ 3,906,092

See accompanying notes to the basic financial statements.

Bossier Parish Communications District Number One
 Benton, Louisiana
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Governmental Fund
 For the Year Ended December 31, 2017

	<u>General Fund</u>
Revenues	
Telephone tariffs	\$ 646,734
Cellular phone revenue	1,508,342
Intergovernmental	102,908
Interest income	43,480
Other	<u>833</u>
Total revenues	<u>2,302,297</u>
Expenditures	
Operations	
Personal services	1,189,761
Materials and supplies	39,145
Contractual and other services	278,393
Capital outlay	<u>113,048</u>
Total expenditures	<u>1,620,347</u>
Excess of revenues over expenditures	681,950
Fund balance at beginning of year	<u>2,754,217</u>
Fund balance at end of year	<u>\$ 3,436,167</u>

See accompanying notes to the basic financial statements.

Bossier Parish Communications District Number One
 Benton, Louisiana
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in
 Fund Balances of Governmental Funds to the Statement of Activities
 For the Year Ended December 31, 2017

Net change in fund balance - total governmental funds	\$ 681,950
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$163,880) exceeds capital outlay (\$113,048).</p>	(50,832)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Unavailable revenue	61,391
Non-employer contributions to cost-sharing plan	9,843
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>	
Other post-employment benefits	(127,636)
Pension expense	(53,903)
<p>The nonallocation method of accounting for prepayments is used in the fund statements, since the prepayment does not provide expendable financial resources.</p>	<u>(4,488)</u>
Change in net position of governmental activities	<u>\$ 516,325</u>

See accompanying notes to the basic financial statements.

Bossier Parish Communications District Number One
Benton, Louisiana
Notes to Financial Statements
December 31, 2017

INTRODUCTION

The Bossier Parish Communications District Number One (the "District") was created by the Bossier Parish Police Jury by ordinance on December 10, 1985, as authorized by Louisiana Revised Statute (R.S.) 33:9101. The District is comprised of property within the Parish of Bossier and is governed by a board of commissioners. Three of the Commissioners are appointed by the Bossier Parish Police Jury and the remaining four are appointed by the City of Bossier and ratified by the Bossier Parish Police Jury. The Board of Commissioners received no compensation during 2017. The District constitutes a political subdivision of the State of Louisiana and is a component unit of the Bossier Parish Police Jury. The purpose of the District is to provide a primary three-digit emergency telephone number (911) and related support system for Bossier Parish.

(1) Summary of Significant Accounting Policies

The Bossier Parish Communications District Number One's financial statements are 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 accounting policies established in GAAP and used by the Bossier Parish Communications District Number One are discussed below.

A. Reporting Entity

The District is a component unit of the Bossier Parish Police Jury, the financial reporting entity. The police jury is financially accountable for the district because it appoints or ratifies a voting majority of the board and has the ability to impose its will on them.

The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Basic Financial Statements – Government-Wide Statements

The Bossier Parish Communications District Number One's basic financial statements include both government-wide (reporting the funds maintained by the Bossier Parish Communications District Number One as a whole) and fund financial statements (reporting the Bossier Parish Communications District Number One's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Bossier Parish Communications District Number One's general fund is classified as governmental activities. The Bossier Parish Communications District Number One does not have any business-type activities.

(Continued)

Bossier Parish Communications District Number One
Benton, Louisiana
Notes to Financial Statements
December 31, 2017
(Continued)

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables. The Bossier Parish Communications District Number One's net position is reported in two parts – invested in capital assets and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the Bossier Parish Communications District Number One's functions. The functions are also supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by any related program revenues, operating, and capital grants, which must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants, including non-employer contributions to cost-sharing pension plans, while the capital grants column reflects capital-specific grants. The net costs (by function) are covered by general revenues.

This government-wide focus is more on the sustainability of the Bossier Parish Communications District Number One as an entity and the change in the Bossier Parish Communications District Number One's net position resulting from the current year's activities.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Bossier Parish Communications District Number One are recorded in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Bossier Parish Communications District Number One:

Governmental Funds – the focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Bossier Parish Communications District Number One:

- a. General funds are the general operating funds of the Bossier Parish Communications District Number One. They are used to account for all financial resources except those required to be accounted for in another fund.

The emphasis in fund financial statements is on the major funds in the governmental category. GASB sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The District's general fund was determined to be a major fund.

(Continued)

Bossier Parish Communications District Number One
Benton, Louisiana
Notes to Financial Statements
December 31, 2017
(Continued)

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

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

Revenues of the Bossier Parish Communications District Number One consist principally of telephone tariffs charged to residential and commercial customers on their monthly telephone bills, sur-charges assessed by cellular phone companies on all cellular customers, interest income, and donations. Telephone tariffs and sur-charges on cellular customers are recorded when assessed by the phone companies. Interest income is recorded when earned. Donations are recorded when received in cash, because they are generally not measurable until actually received.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recorded when susceptible to accrual: i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this rule is that principal and interest on general obligation long-term debt, if any, is recognized when due. Depreciation is not recognized in the governmental fund financial statements.

E. Budgets

The District uses the following budget practices:

1. A preliminary budget for the ensuing year is prepared by the Board of Commissioners before the end of each year and is made available for public inspection.
2. After completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution.
3. All budgetary appropriations lapse at the end of each fiscal year.
4. The budget is established and controlled by the Board of Commissioners at the object level of expenditure. All changes in the budget must be approved by the board.

(Continued)

Bossier Parish Communications District Number One
Benton, Louisiana
Notes to Financial Statements
December 31, 2017
(Continued)

5. The budget is adopted on a cash basis for all funds. There was one amendment to the 2017 budget.

F. Cash, Cash Equivalents, and Investments

Cash includes amounts in petty cash, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or money market accounts with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are carried at cost, which approximates market.

G. Capital Assets

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	8 – 35 years
Vehicles	8 – 10 years
Equipment	3 – 14 years
Improvements	15 years

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide financial statements.

I. Compensated Absences

The District has the following policy relating to vacation and sick leave:

Employees of the District earn from 5 to 20 days of vacation leave each year, depending on their lengths of service, and 10 days of sick leave. Vacation and sick leave do not accumulate; therefore, there were no employee leave benefits requiring recognition at December 31, 2017. The cost of leave privileges, computed in accordance with the above policy, is recognized as current-year expenditure when leave is actually taken.

(Continued)

Bossier Parish Communications District Number One
Benton, Louisiana
Notes to Financial Statements
December 31, 2017
(Continued)

J. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

K. Telephone Tariffs and Cellular Phone Revenue

The District's primary revenue source is the telephone surcharge collected by area telephone providers based on a wireline tariff rate of 5% and a wireless flat fee. Beginning in 1990 the tariff rate for Bossier Parish equaled the sums of \$.66 and \$1.82 as charged to their residential and commercial customers, respectively, on their monthly telephone bills. During 1997 legislation was granted communication districts the authority to convert from a tariff rate to a flat/fixe rate equal to that allowed by tariff rate. The District passed a resolution during September 1997 enacting the legislative changes. Effective August, 2016 the District adopted an ordinance that would convert collections from a flat rate, as stated in 1997, back to a tariff rate thus allowing for an increase of the sum of collections to be in line with the increase in telco tariff rates reflective as of January 2016, of which raised the tariffs charged to residential and commercial customers to \$1.25 (5%) and \$2.50 (2.2%), respectively.

Beginning in 1995, wireless service providers begin assessing their cellular customers \$.40 per month per user. During 1997, new legislation was passed and went into effect requiring cellular companies to increase the surcharge to \$.85 for all customers. New legislation, Act Number 665 of 2016 has allowed for the availability of increasing the wireless surcharge, not to exceed \$1.25. Effective November 1, 2016, the District passed an ordinance to raise the surcharge to \$1.25. The revenues are dedicated to the operations of the emergency telephone systems. Revenue is recorded as it is earned.

On July 10, 2009, Act 531 became law, which provides for the assessment of a surcharge fee on pre-paid wireless services. The assessment of the surcharge fee is at a point of sale by the retailer and did not commence until January 1, 2010. Under the provision of the law, the surcharge is assessed at 2% of the amount of the prepaid service purchased. The funds are collected by the retailers and then remitted to the Louisiana Department of Revenue, less a 1% administrative fee, which in turn is distributed to each District based on total population and remitted on a quarterly basis. The District did not receive the first reimbursement until October, 2010. The statute allowed for the Department of Revenue (DOR) to retain up to \$800,000 of remitted funds to pay for actual start-up costs to allow retailers to implement the system for collection and remittance of prepaid wireless service charges. On June 21, 2016 Act 590 was enacted thus allowing for an increase in the pre-paid assessment to 4% and to allow retailers to retain 2% administrative fee of prepaid charges collected. In addition retailers are permitted to deduct and retain half of the 2016 4th quarter fees for equipment and programming upgrades to reflect new amount.

(Continued)

Bossier Parish Communications District Number One
Benton, Louisiana
Notes to Financial Statements
December 31, 2017
(Continued)

L. Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element *Deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District currently has deferred outflows of resources related to pensions in the governmental-wide statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of these items that meet this definition and qualify for reporting in this category. Accordingly, the item pension-related is reported in the statement of net position and unavailable revenue - prepaid cellular fees and GIS fees are reported in the governmental funds balance sheet.

M. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the district or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

N. Fund Balance

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

1. Nonspendable - amounts that cannot be spent either because they are not spendable form or because they are legally or contractually required to be maintained intact.
2. Restricted – amounts that can be spent only for specific purposes due to constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

(Continued)

Bossier Parish Communications District Number One
Benton, Louisiana
Notes to Financial Statements
December 31, 2017
(Continued)

3. Committed - amounts that can be used only for the specific purposes as a result of constraints imposed by the board of commissioners (the District's highest level of decision making authority). Committed amounts cannot be used for any other purpose unless the board of commissioners removes those constraints by taking the same type of action (i.e. legislation, resolution, ordinance).
4. Assigned - amounts that are constrained by the board of commissioners' intent to be used for specific purposes, but are neither restricted nor committed.
5. Unassigned - all amounts not included in other spendable classifications

The District's policy is to apply expenditures against restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

The calculation of fund balance amounts begins with the determination of nonspendable fund balances. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purpose amounts exceeds the positive fund balance for the non-general fund.

O. Pension Plan

The District is a participating employer in a cost-sharing, multiple-employer, defined benefit pension plan as described in Note 7. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plans fiduciary net position have been determined on the same basis as they are reported by the plan.

P. Fair Value Measurements

Generally accepted accounting principles require disclosure to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 inputs – The valuation is based on quoted market prices for identical assets or liabilities traded in active markets;

Level 2 inputs – The valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability;

(Continued)

Bossier Parish Communications District Number One
Benton, Louisiana
Notes to Financial Statements
December 31, 2017
(Continued)

Level 3 inputs – The valuation is determined by using the best information available under the circumstances and might include the government's own data but should adjust those data if (a) reasonably available information indicates that other market participants would use different data or (b) there is something particular to the government that is not available to other market participants.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on lowest level of any input that is significant to the fair value measurement.

(2) Cash, Cash Equivalents and Investments

At December 31, 2017, the District had cash, cash equivalents and investments (book balances), totaling \$3,095,899 as detailed below.

A. Cash and Cash Equivalents

Cash and cash equivalents at December 31, 2017 (book balances) totaled \$972,899 in interest bearing demand deposits and money market accounts. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

B. Investments

The investments are presented in the financial statements at fair value using level 2 fair value measure. At December 31, 2017, the District's investments consisted of certificates of deposits totaling \$2,123,000.

The certificates of deposits have initial maturities greater than 90 days and are carried at cost, which approximates market.

C. Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. At year end, bank balances of \$3,175,401 were protected by \$2,373,000 of federal depository insurance. The remaining bank balance of \$802,401 was exposed to custodial credit risk as uninsured and collateral held by the pledging bank's trust department, not in the District's name.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, as amended by GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the clerk that the fiscal agent has failed to pay deposited funds upon demand.

(Continued)

Bossier Parish Communications District Number One
Benton, Louisiana
Notes to Financial Statements
December 31, 2017
(Continued)

(3) Leases

For the year ended December 31, 2017, the District had several operating leases on equipment that are utilized by the District and a lease to rent tower space. Lease payments on these leases for the year ended December 31, 2017 were \$87,327. The minimum annual commitments under non-cancelable operating leases are as follows:

Year Ending <u>December 31,</u>	
2018	\$ 60,990
2019	<u>550</u>
	<u>\$ 61,540</u>

(4) Receivables

The following is a summary of receivables at December 31, 2017:

Telephone tariffs & cellular fees	\$ 431,990
Accrued Interest	<u>12,714</u>
Total	<u>\$ 444,704</u>

(5) Implementation of New Accounting Principle

GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which will require adoption in the year ended December 31, 2018. The statement may or will have a material effect on the District's financial statements once implemented. The District will be analyzing the effects of this pronouncement and plans to adopt it by its effective date.

(Continued)

Bossier Parish Communications District Number One
 Benton, Louisiana
 Notes to Financial Statements
 December 31, 2017
 (Continued)

(6) Capital Assets

Capital asset activity for the year ended December 31, 2017, was as follows:

	<u>Balance at Jan. 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at Dec. 31, 2017</u>
<u>Governmental Activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 32,480	\$	\$	\$ 32,480
Total capital assets, not being depreciated	<u>32,480</u>			<u>32,480</u>
Capital assets, being depreciated:				
Buildings	510,514			510,514
Building Improvements	593,385			593,385
Equipment	1,517,216	98,262	(43,546)	1,571,932
Vehicles	76,276	14,786		91,062
Total capital assets, being depreciated at historical cost	<u>2,697,391</u>	<u>113,048</u>	<u>(43,546)</u>	<u>2,766,893</u>
Less accumulated depreciation:				
Buildings	(406,479)	(9,246)		(415,725)
Building Improvements	(380,229)	(40,155)		(420,384)
Equipment	(962,114)	(112,754)	43,546	(1,031,322)
Vehicles	(76,275)	(1,725)		(78,000)
Total accumulated depreciation	<u>(1,825,097)</u>	<u>(163,880)</u>	<u>43,546</u>	<u>(1,945,431)</u>
Total capital assets, being depreciated, net	<u>872,294</u>	<u>(50,832)</u>		<u>821,462</u>
Governmental activities capital assets, net	<u>\$ 904,774</u>	<u>\$ (50,832)</u>	<u>\$</u>	<u>\$ 853,942</u>

Depreciation expense for the year ended December 31, 2017, was \$163,880.

(Continued)

Bossier Parish Communications District Number One
Benton, Louisiana
Notes to Financial Statements
December 31, 2017
(Continued)

(7) Pension Plan

The District participates in the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing multiple-employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the state of Louisiana or any governing body or a parish which employs and pays persons serving the parish. Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan". Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The Retirement System is governed by Louisiana Revised Statutes, Title 11, Sections 1901 through 2025, specifically, and other general laws of the State of Louisiana.

All employees of the District are members of Plan A.

Plan Description

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

Eligibility Requirements:

All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate. As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the System.

Retirement Benefits:

Any member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

(Continued)

Bossier Parish Communications District Number One
Benton, Louisiana
Notes to Financial Statements
December 31, 2017
(Continued)

For employees hired after January 1, 2007:

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

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

Survivor Benefits:

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes. Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes. A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

Deferred Retirement Option Plan:

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member of Plan A or B who is eligible to retire may elect to participate in the Deferred Retirement Option Plan (DROP) in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in the Deferred Retirement Option Plan on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

(Continued)

Bossier Parish Communications District Number One
Benton, Louisiana
Notes to Financial Statements
December 31, 2017
(Continued)

Disability Benefits:

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

Cost of Living Increases:

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Employer Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2016, the actuarially determined contribution rate was 10.52% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2016 was 13.0% for Plan A. The actual rate for the fiscal year ending December 31, 2017 was 12.5%. The District's contributions to the System for the years ended December 31, 2017, 2016, and 2015 were \$109,447, \$102,729, and \$109,261, respectively.

According to state statute, the System also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities. Non-employer contributions received by the System and attributable to the District during the years ended December 31, 2017 and 2016 were \$9,843 and \$9,563, respectively.

(Continued)

Bossier Parish Communications District Number One
 Benton, Louisiana
 Notes to Financial Statements
 December 31, 2017
 (Continued)

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

At December 31, 2017, the District reported a liability of \$274,422 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The historical employer contributions are used to determine the proportionate relationship of each employer to all employers of Parochial Employees' Retirement System of Louisiana. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The resulting allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on each employer's contribution to the plan during the fiscal year ended December 31, 2016 as compared to the total of all employer's contributions received by the plan during the fiscal year ended December 31, 2016.

At December 31, 2016, the District's proportion was .133246%, which was an increase of .001822% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the District recognized pension expense of \$163,003, plus employer's amortization of change in proportionate share and the difference between employer contributions and proportionate share of contributions, \$80.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	\$ 48,021
Changes of assumptions	52,101	
Net difference between projected and actual earnings on pension plan investments	212,962	
Changes in proportion and differences between employer contributions and proportionate share of contributions	226	548
Employer contributions subsequent to the measurement Date	109,447	
Total	<u>\$ 374,736</u>	<u>\$ 48,569</u>

The District reported a total of \$109,447 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of December 31, 2016, which will be recognized as a reduction in net pension liability in the year ended December 31, 2018.

(Continued)

Bossier Parish Communications District Number One
 Benton, Louisiana
 Notes to Financial Statements
 December 31, 2017
 (Continued)

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

Year	Amount
2018	\$ 80,433
2019	86,046
2020	55,991
2021	(5,750)
Total	\$ 216,720

Actuarial Methods and Assumptions

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

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

Valuation Date	December 31, 2016
Actuarial Cost Method	Plan A – Entry Age Normal
Investment Rate of Return	7.00% (Net of investment expense)
Expected Remaining Service lives	4 years
Projected Salary Increases	Plan A – 5.25% (2.75% Merit/2.50% Inflation)
Inflation Rate	2.50%
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 increase not yet authorized by the Board of Trustees.
Mortality	RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Tables were selected for healthy annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.

(Continued)

Bossier Parish Communications District Number One
 Benton, Louisiana
 Notes to Financial Statements
 December 31, 2017
 (Continued)

The discount rate used to measure the total pension liability was 7.00% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System'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 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 7.66% for the year ended December 31, 2016. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed income	35%	1.24%
Equity	52%	3.63%
Alternatives	11%	0.67%
Real assets	2%	0.12%
Totals	<u>100%</u>	<u>5.66%</u>
Inflation		<u>2.00%</u>
Expected Arithmetic Nominal Return		<u>7.66%</u>

(Continued)

Bossier Parish Communications District Number One
 Benton, Louisiana
 Notes to Financial Statements
 December 31, 2017
 (Continued)

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2010 through December 31, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. The RP-2000 Healthy Annuitant Mortality Sex Distinct Tables (set forward two years for males and set forward one year for females) projected to 2031 using Scale AA was selected for annuitants and beneficiaries. For disabled annuitants, the RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females was selected. For active employees, the RP-2000 Employee Sex Distinct Tables set back 4 years for males and 3 years for females was used.

Sensitivity to Change in Discount Rate

The following presents the net pension liability of the participating employers calculated using the discount rate of 7.00%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.00% or one percentage point higher 8.00% than the current rate.

	PLAN A		
	Changes in Discount Rate		
	1%	Current	1%
	Decrease	Discount	Increase
	6.00%	7.00%	8.00%
Net Pension Liability (Asset)	\$820,906	\$274,422	\$(187,647)

Change in Net Pension Liability

The changes in the net pension liability for the year ended December 31, 2016 were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience:

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Differences between Projected and Actual Investment Earnings:

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five year period.

Change in Assumptions:

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

(Continued)

Bossier Parish Communications District Number One
Benton, Louisiana
Notes to Financial Statements
December 31, 2017
(Continued)

Change in Proportion:

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense/(benefit) using a the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan.

Contributions – Proportionate Share

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense/(benefit) using the straight line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan.

Retirement System Audit Report

Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2016. Access to the audit report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.la.state.la.us.

Plan Fiduciary Net Position

Plan fiduciary net position is a significant component of the System's collective net pension liability. The System's plan fiduciary net position was determined using the accrual basis of accounting. The System's assets, liabilities, revenues and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily related to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the System's investments. Accordingly, actual results may differ from estimated amounts. The Plan's fiduciary net position has been determined on the same basis as that used by the plan. Detailed information about the fiduciary net position is available in a stand-alone audit report on their financial statements for the year ended December 31, 2016. Access to these reports can be found on the Louisiana Legislative Auditor's website, www.la.la.gov.

(8) Other Postretirement Benefits

Plan Description – The Bossier Parish Communications' medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement.

Most employees are covered by the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2007 retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30

(Continued)

Bossier Parish Communications District Number One
Benton, Louisiana
Notes to Financial Statements
December 31, 2017
(Continued)

years of service; age 62 and 10 years of service; or, age 67 and 7 years of service. For the few employees not covered by that system, the same retirement eligibility has been assumed.

Dental insurance coverage is provided to retirees. The employer pays 100% of the cost of the dental insurance for the retirees only, not dependents. We have used the unblended rates provided. All of the assumptions used for the valuation of the medical benefits have been used for dental insurance except for the trend assumption; zero trend was used for dental insurance. The dental actuarial costs and liabilities are included in the medical results.

Life insurance coverage is available to retirees and the blended rate (active and retired). The employer pays 100% of the "cost" of the retiree life insurance, but it is based on the blended rate. Since GASB Codification Section P50 requires the use of "unblended" rates, we have used the 94GAR mortality table to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance. Retiree insurance coverage amounts are reduced to a flat \$9,000,

Contribution Rates – Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy – Until 2012, the Bossier Parish Communications recognized the cost of providing post-employment medical benefits (the Bossier Parish Communications' portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2017 and 2016, the Bossier Parish Communications' portion of health care funding and life insurance cost for retired employees totaled \$10,028 and \$9,285, respectively.

Effective January 1, 2012, the Bossier Parish Communications implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB Codification Section). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual Required Contribution – The Bossier Parish Communications' Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB Codification Section P50) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

(Continued)

Bossier Parish Communications District Number One
Benton, Louisiana
Notes to Financial Statements
December 31, 2017
(Continued)

	2017	2016
Normal cost	\$73,468	\$70,642
30-year UAL amortization amount	72,523	69,734
Annual required contribution (ARC)	\$145,991	\$140,376

Net Post-employment Benefit Obligation (Asset) – The table below shows the Bossier Parish Communications' Net Other Post-employment Benefit (OPEB) Obligation for fiscal year ending December 31:

	2017	2016
Beginning Net OPEB Obligation	\$467,064	\$342,072
Annual required contribution	145,991	140,376
Interest on Net OPEB Obligation	18,683	13,683
ARC Adjustment	(27,010)	(19,782)
OPEB Cost	137,664	134,277
Contribution to Irrevocable Trust	-	-
Current year retiree premium	(10,028)	(9,285)
Change in Net OPEB Obligation	127,636	124,992
Ending Net OPEB Obligation	\$594,700	\$467,064

The following table shows the Bossier Parish Communications' annual post-employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post-employment benefits (PEB) liability for this year:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Liability (Asset)
Dec. 31, 2017	\$ 137,663	7.28%	\$594,700
Dec. 31, 2016	\$ 134,277	6.91%	\$467,064
Dec. 31, 2015	\$ 94,157	0.00%	\$342,072

Funded Status and Funding Progress – In 2017 and 2016, Bossier Parish Communications made no contributions to its post-employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the January 1, 2016 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year December 31, 2017 was \$1,304,240 which is defined as that portion, as determined by a particular actuarial cost method (the Bossier Parish Communications uses the Projected Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost.

(Continued)

Bossier Parish Communications District Number One
Benton, Louisiana
Notes to Financial Statements
December 31, 2017
(Continued)

	2017	2016
Actuarial Accrued Liability (AAL)	\$1,304,240	\$1,254,077
Actuarial Value of Plan Assets (AVP)	_____	_____
Unfunded Act. Accrued Liability (UAAL)	\$1,304,240	\$1,254,077
 Funded Ratio (AVP/AAL)	 0.00%	 0.00%
 Covered Payroll (active plan members)	 \$815,613	 \$802,291
UAAL as a percentage of covered payroll	159.91%	156.31%

The required schedule of funding progress immediately following the notes presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions – Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post-employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Bossier Parish Communications and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Bossier Parish Communications and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Bossier Parish Communications and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method – The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

Actuarial Value of Plan Assets – There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification P50.

(Continued)

Bossier Parish Communications District Number One
Benton, Louisiana
Notes to Financial Statements
December 31, 2017
(Continued)

Turnover Rate – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 5%.

Post-employment Benefit Plan Eligibility Requirements – Based on past experience, it has been assumed that entitlement to benefits will commence three years after eligibility to enter the D.R.O.P., as described above under "Plan Description". Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate) – GASB Codification Section P50 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate – The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5% for ten years out and later.

Mortality Rate - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 100% of the cost of the medical insurance for the retirees only, not dependents. The rates provided applicable before age 65 are "blended" rates. Since GASB Codification Section P50 mandates that "unblended" rates be used, we have estimated the "unblended" rates before Medicare eligibility to be 130% of the blended rate. The unblended rates after age 65 were used as appropriate.

Inflation Rate - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases - This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases - The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

(Continued)

Bossier Parish Communications District Number One
 Benton, Louisiana
 Notes to Financial Statements
 December 31, 2017
 (Continued)

Below is a summary of OPEB cost and contributions for the last three fiscal calendar years.

OPEB Costs and Contributions			
	FY 2015	FY 2016	FY 2017
OPEB Cost	\$ 94,157	\$ 134,277	\$ 137,663
Contribution	-	-	-
Retiree premium	-	(9,285)	(10,028)
Total contribution and premium	-	(9,285)	(10,028)
Change in net OPEB obligation	\$ <u>94,157</u>	\$ <u>124,992</u>	\$ <u>127,635</u>
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	0.00%	6.91%	7.28%

(9) Risk Management

The District purchases commercial insurance to provide workers compensation coverage and general liability and property insurance. There were no significant reductions in insurance coverage from the prior year.

(10) Long-term Liabilities

Long-term liability activity for the year ended December 31, 2017, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Other post-employment				
Benefit obligations	\$ 467,064	\$ 127,636	\$	\$ 594,700
Net Pension Liability	<u>345,946</u>	<u> </u>	<u>(71,524)</u>	<u>274,422</u>
Governmental Activities				
long-term liabilities	<u>\$ 813,010</u>	<u>\$ 127,636</u>	<u>\$ (71,524)</u>	<u>\$ 869,122</u>

(11) Subsequent Events

Subsequent events have been evaluated through June 5, 2018, the date the financial statements were available to be issued.

(12) Commitments

Bossier Parish Communication District Number One entered into an agreement on October 19, 2017 to purchase a vehicle in the amount of \$29,501. The vehicle will be paid for and delivered in fiscal year 2018.

Bossier Parish Communications District Number One
 Benton, Louisiana
 Required Supplementary Information
 Schedule of Revenues, Expenditures, and Changes in Fund Balances-
 Budget (Cash Basis) and Actual
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Telephone tariffs	\$ 1,450,000	\$ 1,450,000	\$ 2,113,719	\$ 663,719
Interest	25,000	25,000	40,488	15,488
Other income			128,741	128,741
Total revenues	<u>1,475,000</u>	<u>1,475,000</u>	<u>2,282,948</u>	<u>807,948</u>
Expenditures				
Operations				
Personal services	1,291,500	1,291,500	1,189,761	101,739
Materials and supplies	20,000	20,000	39,145	(19,145)
Contractual and other	1,374,820	1,495,329	278,394	1,216,935
Capital outlay	<u>1,100,000</u>	<u>1,100,000</u>	<u>113,048</u>	<u>986,952</u>
Total expenditures	<u>3,786,320</u>	<u>3,906,829</u>	<u>1,620,348</u>	<u>2,286,481</u>
Excess of revenues over (under) expenditures	(2,311,320)	(2,431,829)	662,600	3,094,429
Fund balances at beginning of year	<u>2,311,320</u>	<u>2,431,829</u>	<u>2,444,866</u>	<u>13,037</u>
Fund balances at end of year	<u>\$</u>	<u>\$</u>	<u>\$ 3,107,466</u>	<u>\$ 3,107,466</u>

See accompanying note to the required supplementary schedule.

Bossier Parish Communications District Number One
 Benton, Louisiana
 Note to Required Supplementary Information
 December 31, 2017

The District's budget is adopted on a cash basis for all funds. There was one amendment to the 2017 budget. The budget comparison schedule included in the accompanying financial statements includes the original and adopted budgets. The schedule below reconciles excess (deficiency) of revenues and other sources over expenditures and other uses on the budget basis with GAAP basis:

	General Fund
Excess of revenues and other sources over expenditures and other uses (budget basis)	\$ 662,600
Adjustments:	
Revenue accruals – net	19,350
Expenditure accruals – net	–
Excess of revenues and other sources over expenditures and other uses (GAAP basis)	\$ 681,950

Bossier Parish Communication District Number One
 Benton, Louisiana
 Schedule of Funding Progress for Retiree Health, Dental, and Life Plans
 For the Year Ended December 31, 2017

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2016	0	\$ 1,254,077	\$ 1,254,077	0	\$ 802,291	156%
1/1/2014	0	\$ 744,660	\$ 744,660	0	\$ 774,954	96%
1/1/2012	0	\$ 559,026	\$ 559,026	0	\$ 655,821	85%

Bossier Parish Communications District Number One
 Benton, Louisiana
 Schedule of Proportionate Share of Net Pension Liability
 For the Year Ended December 31, 2017

Parochial Employee's Retirements System of Louisiana

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability	0.133246%	0.131424%	0.133174%
Proportionate share of the net pension liability	\$ 274,422	\$ 345,946	\$ 36,411
Covered-employee payroll	\$ 790,228	\$ 753,527	\$ 763,795
Proportionate share of the net pension liability as a percentage of covered employee payroll	34.73%	45.91%	4.77%
Plan fiduciary net position as a percentage of the total pension liability	94.15%	92.23%	99.15%

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

Bossier Parish Communications District Number One
 Benton, Louisiana
 Schedule of Contributions
 For the Year Ended December 31, 2017

Parochial Employee's Retirement System of Louisiana

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 109,447	\$ 102,730	\$ 109,261
Contributions in relation to the contractually required contribution	<u>\$ 109,447</u>	<u>\$ 102,730</u>	<u>\$ 109,261</u>
Contribution deficiency (excess)			
Covered-employee payroll	\$ 875,574	\$ 790,228	\$ 753,527
Contributions as a percentage of covered-employee payroll	12.50%	13.00%	14.50%

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

Bossier Parish Communications District Number One
Benton, Louisiana

Supplementary Information
In Accordance with Louisiana Revised Statute 33:9109E

For the Year Ended December 31, 2017
(Unaudited)

The District assesses a 9-1-1 surcharge fee for cellular and other wireless services. The assessment of the wireless 9-1-1 surcharge fee was approved to fund, along with other funding sources, implementation of FCC ordered enhancements to E-911 systems.

Total revenues derived from wireless service providers in Bossier Parish for the year ended December 31, 2017 is \$1,508,342.

Bossier Parish Communications District Number One
Benton, Louisiana
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended December 31, 2017

Agency Head: Tracey Hilburn, Administrator

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 87,476
Benefits-retirement	10,872
Benefits-insurance	9,042
Per diem	1,101
Travel	996
Registration fees	100
Memberships	406
Cell phone	840

COOK & MOREHART

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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

Independent Auditors' Report

To the Members of the
Board of Commissioners
Bossier Parish Communications
District Number One

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of the Bossier Parish Communications District Number One as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Bossier Parish Communications District Number One's basic financial statements, and have issued our report thereon dated June 5, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bossier Parish Communications District Number One'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 Bossier Parish Communications District Number One's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bossier Parish Communications District Number One'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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



Cook & Morehart
Certified Public Accountants
June 5, 2018

Bossier Parish Communications District Number One
Benton, Louisiana
Summary Schedule of Audit Findings
December 31, 2017

Summary Schedule of Prior Audit Findings

There were no findings for the prior year audit for the year ended December 31, 2016.

Corrective Action Plan for Current Year Audit Findings

There are no findings for the current year audit for the year ended December 31, 2017.

COOK & MOREHART

Certified Public Accountants

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Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Board of Directors
Bossier Parish Communication District Number One
Benton, Louisiana
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Bossier Parish Communication District Number One (District) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. The Bossier Parish Communication District Number One's (District) 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 below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving
 - d) ***Receipts***, including receiving, recording, and preparing deposits
 - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

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

The District provided written policies and procedures addressing all of the above.

Board (or Finance Committee, if applicable)

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

The Board of Directors of the District met on the basis as set by board.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

The minutes of the board of directors referenced and included budget to actual comparisons on the general fund.

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

The minutes of the Board of Directors of the District did reference non-budgetary financial information for at least one meeting during the fiscal period.

Bank Reconciliations

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

Management provided the requested information, along with management's representation that the listing is complete.

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

- a) Bank reconciliations have been prepared;

Bank reconciliations were prepared for each month examined.

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

Exception: There was no evidence of management or board member review of bank reconciliations.

Management's Response: A member of the Board will begin physically documenting their review of bank reconciliations.

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

There were no reconciling items which had been outstanding for more than six months for the accounts selected for testing.

Collections

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

Management provided the requested information, along with management's representation that the listing is complete.

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

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

The person responsible for collecting cash was insured under a blanket crime insurance policy. Each person responsible for collecting cash was not responsible for depositing cash in the bank, recording the related transaction, or reconciling the related bank account, except as noted below. Each person responsible for collecting cash was not required to share the same cash register or drawer with another employee.

Exception: The person responsible for cash collections is also responsible for recording the related transaction and reconciling the related bank account.

Management's Response: The District has limited administrative staff. A board member reviews all bank statements monthly, and will begin physically documenting their review of bank reconciliations, as well.

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

Exception: The person responsible for cash collections is the same person who reconciles the cash collections to the general ledger and/or subsidiary ledger.

Management's Response: The District has limited administrative staff. A board member reviews all bank statements monthly, and will begin physically documenting their review of bank reconciliations, as well.

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

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

Exception: The District does not maintain a log of when incoming checks are received, thus we were unable to determine the time period between receipt and deposit.

Managements Response: The administrative assistant will begin physically documenting his review of all incoming checks to include receipt date, and will then verify bank deposits made with those previously approved checks.

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

For the week selected, daily cash collections were completely supported by collection documentation.

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

Exception: The individual responsible for determining completeness of collections is also responsible for collections.

Management's Response: The administrative assistant will begin physically documenting his review of all incoming checks to include receipt date, and will then verify bank deposits made with those previously approved checks.

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

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

Management provided the requested information, along with management's representation that the listing is complete.

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

screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

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

Exception: The District does not utilize a formal purchase order system.

Management's Response: A formal purchase order system is not utilized. However, all purchases are approved by management prior to payment. Significant purchases are also approved by the board.

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

Exception: The District does not utilize a formal purchase order system.

Management's Response: A formal purchase order system is not utilized. However, all purchases are approved by management prior to payment. Significant purchases are also approved by the board.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Payments for purchases were not processed without an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice, except as noted below

Exception: Nine (9) of the twenty-five (25) items tested were purchase transactions and did not contain a purchase order. The District does not utilize a formal purchase order system. Twenty-five (25) of the twenty-five (25) items tested did not have physical approval noted on invoices. One (1) of the twenty-five (25) items tested was a transaction that would have a receiving report but did not have one.

Management's Response: A formal purchase order system is not utilized. However, all purchases are approved by management prior to payment. Significant purchases are also approved by the board. Individuals with signatory authority review the invoices at the time the checks are signed. Management will begin documenting that review of invoices/receipts. The District will begin attaching receiving reports to invoices when deemed practical and feasible.

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

Exception: The person responsible for processing payments also adds vendors to the disbursement system.

Management's Response: The District has a small administrative staff. All purchases are approved by management prior to payment. Significant purchases are also approved by the board.

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

Exception: Persons with signatory authority or who make the final authorization for disbursements also have the responsibility for initiating or recording purchases.

Management's Response: Two signatures are required on all checks. One of those signatures is from a board member who has no authority for initiating or recording purchases.

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

Exception: Unused checks are maintained in a locked location; however individuals with signatory authority do have access to unused checks.

Management Response: All checks require two signatures. One of those signatures is from a board member who has no access to unused checks.

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

Persons with signatory authority do not use a signature stamp or signature machine.

Exception: Signed checks are not maintained under the control of the signer until mailed. Checks are returned to individual who prepares checks for mailing.

Management's Response: All disbursements require two signatures and are approved by management. Also, all bank statements are reviewed by a board member on a monthly basis.

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

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Management provided the requested information, along with management's representation that the listing is complete.

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

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

Exception: For each card selected for testing, thirteen (13) of the twenty-five (25) receipts totaling \$609.60 did not have evidence of written approval by someone other than the authorized card holder. These charges were for fuel for a district vehicle.

Management's Response: Management will ensure that all credit card statements are physically approved by someone other than the authorized card holder. All charge card activity is approved by management when signing checks.

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

There were no finance charges or late fees assessed on the cards selected for testing.

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

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

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

Transactions tested were supported by original itemized receipts.

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

Transactions tested contained documentation of business purpose, except as noted below.

Exception: Three (3) of the twenty-five (5) transactions totaling \$36.53 did not have documentation of business purpose.

Management's Response: Management will ensure all receipts contain physical documentation of business purpose.

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

No other documentation is required by the District's written credit card policy.

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

We compared each transaction tested to the agency's written policies and public bid law. There were no exceptions noted.

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

The District's documentation met the requirements of Article 7, Section 14.

Travel and Expense Reimbursement

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

Management provided the requested information, along with management's representation that the listing is complete.

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

The rates established in the District's policy do not exceed the GSA per diem or mileage rates.

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

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

The reimbursements selected were supported with documentation in accordance with District's written policies.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

Expenses selected for testing contained receipts listing precisely what was purchased.

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

The business purpose was documented on each invoice selected for testing.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

Other documentation as required by the District's written policy was attached to items selected for testing.

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

The District's documentation met the requirements of Article 7, Section 14.

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

For each expense selected for testing, the expense and related documentation was reviewed and approved in writing by someone other than the person receiving reimbursement.

Contracts

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

Management provided the requested information, along with management's representation that the listing is complete.

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

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

There were formal, written contracts supporting the services arrangement and the amounts paid for the contracts selected for testing.

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

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

The contracts selected were not subject to the Louisiana Public Bid Law or Procurement Code.

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

Exception: For the contracts selected for testing, the District did not solicit quotes as best practice.

Management's Response: The contracts tested were updates/renewals of existing contracts on equipment the District owns.

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

None of the contracts selected for testing were amended during the testing period.

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

The largest payment selected for testing from each of the five vendor contracts was supported by invoices that agreed with the terms of the contract.

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

Contracts selected for testing were approved by the Board, in accordance with the District's policy.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete.

Management provided the requested information, along with management's representation that the listing is complete.

Randomly select five employees/officials, obtain their personnel files, and:

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

Payment was made in accordance with the terms of approved pay rates.

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

Changes made to hourly pay rates/salaries during the fiscal period were approved in writing and in accordance with the District's written policy.

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

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

For transactions selected for testing, daily attendance and leave were documented.

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

Transactions selected for testing had evidence that supervisors approved the attendance and leave of the selected employees.

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

For the transactions selected for testing, the District maintained written leave records.

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

There were no terminated employees during the fiscal year.

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

Employee and employer portions of payroll taxes and retirement contributions, as well as required reporting forms were submitted to the applicable agencies by the required deadlines.

Ethics (excluding nonprofits)

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

The District maintained documentation to demonstrate that required ethics training was completed, except as noted below.

Exception: One (1) of the five (5) employees selected for testing did not retain documentation to demonstrate that required ethics training was completed.

Management Response: Management will ensure that all employees retain documentation to demonstrate that required ethics training was completed.

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

There were no alleged ethics violations reported to management.

Debt Service (excluding nonprofits)

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

The District did not issue any new debt during the current fiscal year.

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

The District has no outstanding debt.

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

The District did not issue any new debt during the current fiscal year.

Other

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

Management is not aware of any misappropriation of public funds or assets.

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

The District has posted on its premises and website the notice required by R.S. 24:523.1.

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

We have not observed or identified any exceptions regarding management's representations in the above procedures.

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.



Cook & Morehart
Certified Public Accountants
June 5, 2018