

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

Financial Statements With Auditor's Report

As of and For the Year Ended December 31, 2020

Bossier Parish Communications District Number One
Benton, Louisiana

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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, 2020, 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, 2020, 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.

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 37-38, the Schedule of Changes in Total OPEB Liability and Related Ratios on page 39, the Schedule of Proportionate Share of Net Pension Liability on page 40, and the Schedule of Contributions on page 41, 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 42 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 43 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 29, 2021, 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

Cook & Morehart
Certified Public Accountants
June 29, 2021

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, 2020. 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 \$251,117 or 8%.

The Bossier Parish Communications District Number One's total revenues were \$2,255,751 in 2020 compared to \$2,272,837 in 2019.

During the year ended December 31, 2020, the Bossier Parish Communications District Number One had total expenses, excluding depreciation of \$1,817,393, compared to \$2,387,839 for 2019.

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 \$3,241,429 to \$3,492,546. Our analysis below will focus on key elements of the total governmental funds for the years ended December 31, 2020 and 2019.

Table 1
Net Position

	Governmental Activities	
	2020	2019
Current and other assets	\$ 4,331,456	\$ 3,833,012
Capital assets	753,199	919,368
Total assets	<u>5,084,655</u>	<u>4,752,380</u>
Deferred outflows of resources -		
Pension related	220,467	608,897
Other post employment benefits	502,016	373,655
Total deferred outflows of resources	<u>722,483</u>	<u>982,552</u>
Current liabilities	872	872
Long-term liabilities:		
Due in more than one year	1,635,592	2,311,104
Total liabilities	<u>1,636,464</u>	<u>2,311,976</u>
Deferred inflows of resources -		
Pension related	327,721	41,337
Other postemployment benefits	350,407	140,190
Total deferred inflows of resources	<u>678,128</u>	<u>181,527</u>
Net position:		
Investment in capital assets	753,199	919,368
Unrestricted	2,739,347	2,322,061
Total net position	<u>\$ 3,492,546</u>	<u>\$ 3,241,429</u>

Net position of the Bossier Parish Communications District Number One’s governmental activities increased by \$251,117 or 8%. 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 \$2,322,061 at December 31, 2019 to \$2,739,347 at December 31, 2020.

Table 2
Change in Net Position

	Governmental Activities	
	2020	2019
Revenues		
General Revenues		
Telephone tariffs and cellular phone revenues	\$ 2,150,145	\$ 2,166,386
Intergovernmental revenues	50,000	50,000
Sale of capital assets		5,400
Miscellaneous revenues	897	1,868
Interest income	42,826	37,501
Program Revenues		
Operating grants and contributions	11,883	11,682
Total revenues	<u>2,255,751</u>	<u>2,272,837</u>
Expenses		
Public safety	<u>2,004,634</u>	<u>2,583,269</u>
Increases (decrease) in net position	<u>\$ 251,117</u>	<u>\$ (310,432)</u>

Total revenues remained relatively consistent with 2019, with total revenues in the year ended December 31, 2019 of \$2,272,837 to total revenues of \$2,255,751 in the year ended December 31, 2020.

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 \$4,199,547, which is higher than last year’s fund balance of \$3,704,325.

General Fund Budgetary Highlights

The District adopted a budget for its General Fund for the year ended December 31, 2020. 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 37. 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 \$4,199,547 reported on page 13 differs from the General Fund's *budgetary* fund balance of \$3,938,839 reported in the budgetary comparison schedule on page 37. This is primarily due to the District budgeting on the cash basis of accounting.

CAPITAL ASSETS

At the end of December 31, 2020 and 2019, the Bossier Parish Communications District Number One had invested \$753,199 and \$919,368, respectively in capital assets. (see table 3 below)

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

	Governmental Activities	
	2020	2019
Land	\$ 32,480	\$ 32,480
Buildings and improvements	152,275	181,537
Equipment	532,121	654,513
Vehicles	36,323	50,838
Total	\$ 753,199	\$ 919,368

This year's major additions included:

Equipment	\$ 15,703	\$ 271,069
Buildings and improvements	5,369	
Vehicles		28,288
Total	\$ 21,072	\$ 299,357

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:

Outstanding Debt At Year End

	Governmental Activities	
	2020	2019
Other post-employment benefit obligation	\$ 1,628,679	\$ 1,632,594
Net pension liability	<u>6,913</u>	<u>678,510</u>
Governmental activities - long-term liabilities	<u>\$ 1,635,592</u>	<u>\$ 2,311,104</u>

Additional information about the District's long-term liabilities is presented in Notes 7, 9, and 10 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, 2021 budget. Amounts available for appropriation in the governmental funds are expected to remain basically the same as 2020. It is anticipated that management will consider and monitor the economic uncertainties of Covid-19 and the impact on available financial resources.

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, 2020

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 1,632,272
Investments	2,295,000
Receivables	377,092
Prepaid insurance	27,092
Capital assets	
Non-depreciable	32,480
Depreciable (net)	720,719
Total assets	5,084,655
 DEFERRED OUTFLOWS OF RESOURCES	
Pension related	220,467
Other post employment benefits related	502,016
Total deferred outflows of resources	722,483
 LIABILITIES	
Accounts payable	872
Long-term liabilities:	
Due in more than one year	1,635,592
Total liabilities	1,636,464
 DEFERRED INFLOWS OF RESOURCES	
Pension related	327,721
Other post employment benefits related	350,407
Total deferred inflows of resources	678,128
 NET POSITION	
Investment in capital assets	753,199
Unrestricted	2,739,347
Total net position	\$ 3,492,546

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, 2020

	Governmental Activities
Expenses:	
Public Safety	
Personal services	\$ 1,438,115
Materials and supplies	24,242
Contractual and other services	355,036
Depreciation	187,241
Total expenses	2,004,634
Program revenues:	
Operating grants and contributions	11,883
Total program revenues	11,883
Net program revenues (expenses)	(1,992,751)
General revenues:	
Telephone tariffs	510,638
Cellular phone revenue	1,639,507
Intergovernmental	50,000
Interest Income	42,826
Other	897
Total general revenues	2,243,868
Change in net position	251,117
Net position - beginning	3,241,429
Net position - ending	\$ 3,492,546

See accompanying notes to the basic financial statements.

Bossier Parish Communications District Number One
 Benton, Louisiana
 Balance Sheet
 Governmental Fund
 December 31, 2020

	General Fund
Assets	
Cash	\$ 1,632,272
Investments	2,295,000
Receivables	377,092
Total assets	\$ 4,304,364
Liabilities	
Accounts payable	\$ 872
Total liabilities	872
Deferred inflows of resources	
Unavailable revenue	
Prepaid cellular fees	78,945
GIS fees	25,000
Total deferred inflows of resources	103,945
Fund balances	
Assigned	
Equipment - operational upgrade	1,945,401
Unassigned	2,254,146
Total fund balances	4,199,547
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not funds.	753,199
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	103,945
Deferred outflows - other post-employment benefits	502,016
Deferred outflows - pension related	220,467
The nonallocation method of accounting for prepayments is used in the fund statements, since the prepayment does not provide expendable financial resources.	
	27,092
Long-term liabilities and other amounts are not due and payable in the current period and therefore are not reported in the funds.	
Other post employment benefits	(1,628,679)
Net pension liability	(6,913)
Deferred inflows - other post-employment benefits	(350,407)
Deferred inflows - pension related	(327,721)
Total adjustments	(1,628,679)
Net position of governmental activities	\$ 3,492,546

See accompanying notes to the basic financial statements.

Bossier Parish Communications District Number One
 Benton, Louisiana
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Fund
 For the Year Ended December 31, 2020

	General Fund
Revenues	
Telephone tariffs	\$ 510,638
Cellular phone revenue	1,635,871
Intergovernmental	50,000
Interest income	42,826
Other	897
Total revenues	2,240,232
Expenditures	
Operations	
Personal services	1,345,074
Materials and supplies	24,242
Contractual and other services	354,622
Capital outlay	21,072
Total expenditures	1,745,010
Excess of revenues over expenditures	495,222
Fund balances at beginning of year	3,704,325
Fund balances at end of year	\$ 4,199,547

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 the Governmental Fund to the Statement of Activities
 For the Year Ended December 31, 2020

Net change in fund balances - total governmental fund \$ 495,222

Amounts reported for governmental activities in the statement of activities
 are different because:

Governmental funds report capital outlays as expenditures. However, in
 the statement of activities, the cost of those assets is allocated over
 their estimated useful lives and reported as depreciation expense. This
 is the amount by which depreciation expense (\$187,241) exceeds
 capital outlays (\$21,072). (166,169)

Revenues in the statement of activities that do not provide current
 financial resources are not reported as revenues in the funds.

Unavailable revenue 3,636
 Non-employer contributions to cost-sharing plan 11,883

Long-term liabilities are not due and payable in the current period and
 therefore are not reported in the funds.

Other post-employment benefits (77,941)
 Pension expense (15,100)

The nonallocation method of accounting for prepayments is used in the
 fund statements, since the prepayment does not provide expendable
 financial resources. (414)

Change in net position of governmental activities \$ 251,117

See accompanying notes to the basic financial statements.

Bossier Parish Communications District Number One
Benton, Louisiana
Notes to Financial Statements
December 31, 2020

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 2020. 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, 2020
(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 – investment 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, 2020
(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, 2020
(Continued)

5. The budget is adopted on a cash basis for all funds. There was one amendment to the 2020 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 \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition 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, 2020. The cost of leave privileges, computed in accordance with the above policy, is recognized as current-year expenditure when leave is actually taken.

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Bossier Parish Communications District Number One
Benton, Louisiana
Notes to Financial Statements
December 31, 2020
(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/fixed 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.

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Bossier Parish Communications District Number One
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Notes to Financial Statements
December 31, 2020
(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 and other post-employment benefits (OPEB) 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 three types of these items that meet this definition and qualify for reporting in this category. Accordingly, the items pension-related and other post-employment benefits (OPEB) is reported in the statement of net position, and unavailable revenue - prepaid cellular fees and GIS fees are reported in the governmental fund 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 in 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.

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Bossier Parish Communications District Number One
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Notes to Financial Statements
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(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 (asset), 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. Other Post Employment Benefit Plan

The District's defined benefit other postemployment health care plan, as described in Note 10, provides OPEB to eligible retired employees. The plan provides OPEB for permanent full-time employees of the District. The District's OPEB plan is a single employer defined benefit OPEB plan administered by the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The authority to establish and/or amend the obligation of the employer, employees, and retirees rests with the District.

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Bossier Parish Communications District Number One
Benton, Louisiana
Notes to Financial Statements
December 31, 2020
(Continued)

Q. 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;

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, 2020, the District had cash, cash equivalents and investments (book balances), totaling \$3,927,272 as detailed below.

A. Cash and Cash Equivalents

Cash and cash equivalents at December 31, 2020 (book balances) totaled \$1,632,272 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, 2020, the District's investments consisted of certificates of deposits totaling \$2,295,000.

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

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Bossier Parish Communications District Number One
 Benton, Louisiana
 Notes to Financial Statements
 December 31, 2020
 (Continued)

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 \$4,005,895 were protected by \$2,545,000 of federal depository insurance, and \$1,276,122 was exposed to custodial credit risk as uninsured and collateralized by the pledging bank's trust department, not in the District's name. The remaining \$184,773 was uninsured.

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.

(3) Leases

For the year ended December 31, 2020, the District had an operating lease on equipment that is utilized by the District and a lease to rent tower space. Lease payments on these leases for the year ended December 31, 2020 were \$54,700.

The minimum annual commitments under non-cancelable operating leases are as follows:

Year Ending <u>December 31,</u>	
2021	\$ 44,800
2022	44,800
2023	44,800
2024	<u>29,867</u>
Total	<u>\$ 164,267</u>

(4) Receivables

The following is a summary of receivables at December 31, 2020:

Telephone tariffs & cellular fees	\$ 365,161
Accrued Interest	<u>11,931</u>
Total	<u>\$ 377,092</u>

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Bossier Parish Communications District Number One
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 Notes to Financial Statements
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 (Continued)

(5) Commitments

Bossier Parish Communication District Number One entered into several agreements during 2018 to install a new phone system, CAD (computer aided dispatch) system, and tower. Total of all contracts is approximately \$161,440. As of December 31, 2020 approximately \$102,155 had been incurred on these contracts, with the remaining balance of \$59,285 to be incurred subsequent to December 31, 2020.

(6) Capital Assets

Capital asset activity for the year ended December 31, 2020, was as follows:

	<u>Balance at Jan. 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at Dec. 31, 2020</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></u>	<u></u>	<u>32,480</u>
Capital assets, being depreciated:				
Buildings	510,514			510,514
Building Improvements	605,371	5,369	(5,499)	605,241
Equipment	1,918,917	15,703	(8,814)	1,925,806
Vehicles	<u>97,183</u>	<u></u>	<u></u>	<u>97,183</u>
Total capital assets, being depreciated at historical cost	<u>3,131,985</u>	<u>21,072</u>	<u>(14,313)</u>	<u>3,138,744</u>
Less accumulated depreciation:				
Buildings	(434,217)	(9,246)		(443,463)
Building Improvements	(500,131)	(25,385)	5,499	(520,017)
Equipment	(1,264,404)	(138,095)	8,814	(1,393,685)
Vehicles	<u>(46,345)</u>	<u>(14,515)</u>	<u></u>	<u>(60,860)</u>
Total accumulated depreciation	<u>(2,245,097)</u>	<u>(187,241)</u>	<u>14,313</u>	<u>(2,418,025)</u>
Total capital assets, being depreciated, net	<u>886,888</u>	<u>(166,169)</u>	<u></u>	<u>720,719</u>
Governmental activities capital assets, net	<u>\$ 919,368</u>	<u>\$ (166,169)</u>	<u>\$</u>	<u>\$ 753,199</u>

Depreciation expense for the year ended December 31, 2020, was \$187,241.

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Notes to Financial Statements
December 31, 2020
(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 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 its 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.

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Bossier Parish Communications District Number One
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(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 3% 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 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.

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(Continued)

For individuals who become eligible to participate in the Deferred Retirement Option Plan (DROP) on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in DROP 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 DROP 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 DROP are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

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 3% of the member's final average compensation multiplied by his years of service, not to be less than 15, or 3% multiplied by years of service assuming continued service to age 60 for those members who are enrolled prior to January 1, 2017 and to age 62 for those members who are enrolled January 1, 2007 and later.

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 65 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, 2019, the actuarially determined contribution rate was 12.18% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2019 was 11.50% for Plan A. The actual rate for the fiscal year ending December 31, 2020 was 12.25%. The District's contributions to the System for the years ended December 31, 2020, 2019, and 2018 were \$120,212, \$107,078, and \$108,078, respectively.

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Bossier Parish Communications District Number One
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Notes to Financial Statements
December 31, 2020
(Continued)

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, 2020 and 2019 were \$11,883 and \$11,682, respectively.

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

At December 31, 2020, the District reported a liability of \$6,913 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019 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, 2019 as compared to the total of all employers' contributions received by the plan during the fiscal year ended December 31, 2019.

At December 31, 2019, the District's proportion was .146845%, which was a decrease of .006029% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the District recognized pension expense of \$134,074, plus employer's amortization of change in proportionate share and the difference between employer contributions and proportionate share of contributions, \$1,238.

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Bossier Parish Communications District Number One
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 Notes to Financial Statements
 December 31, 2020
 (Continued)

At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 61,883
Changes of assumptions	96,544	
Net difference between projected and actual earnings on pension plan investments		259,123
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,711	6,715
Employer contributions subsequent to the measurement Date	120,212	
Total	\$ 220,467	\$ 327,721

The District reported a total of \$120,212 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of December 31, 2019, which will be recognized as a reduction in net pension liability in the year ended December 31, 2021.

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
2020	\$ (49,627)
2021	(65,626)
2022	4,445
2023	(116,658)
Total	\$ (227,466)

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, 2019, are as follows:

Valuation Date	December 31, 2019
Actuarial Cost Method	Plan A – Entry Age Normal
Investment Rate of Return	6.50% net of investment expense, including inflation

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Bossier Parish Communications District Number One
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 Notes to Financial Statements
 December 31, 2020
 (Continued)

Expected Remaining Service lives	4 years
Projected Salary Increases	Plan A – 4.75%
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	Pub-2010 Public Retirement Plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.
Inflation Rate	2.40%

The discount rate used to measure the total pension liability was 6.50% 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 capital asset 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

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 Notes to Financial Statements
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 (Continued)

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 7.18% for the year ended December 31, 2019.

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, 2019 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%	1.05%
Equity	52%	3.41%
Alternatives	11%	0.61%
Real assets	<u>2%</u>	<u>0.11%</u>
Totals	<u>100%</u>	5.18%
Inflation		<u>2.00%</u>
Expected Arithmetic Nominal Return		<u>7.18%</u>

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projections using the MP2018 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. For Disabled annuitants mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

Sensitivity to Change in Discount Rate

The following presents the net pension liability of the participating employers as of December 31, 2019 calculated using the discount rate of 6.50%, 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 5.50% or one percentage point higher 7.50% than the current rate.

	PLAN A		
	<u>Changes in Discount Rate</u>		
	1% Decrease <u>5.50%</u>	Current Discount Rate <u>6.50%</u>	1% Increase <u>7.50%</u>
Net Pension Liability	\$747,132	\$6,913	\$(613,376)

(Continued)

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(Continued)

Change in Net Pension Liability

The changes in the net pension liability for the year ended December 31, 2019 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.

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, 2019. 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.

(Continued)

Bossier Parish Communications District Number One
 Benton, Louisiana
 Notes to Financial Statements
 December 31, 2020
 (Continued)

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, 2019. Access to these reports can be found on the Louisiana Legislative Auditor's website, www.lia.la.gov.

(8) 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.

(9) Long-term Liabilities

Long-term liability activity for the year ended December 31, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Other post-employment				
Benefit obligations	\$ 1,632,594	\$	\$ (3,915)	\$ 1,628,679
Net Pension Liability	<u>678,510</u>	<u> </u>	<u>(671,597)</u>	<u>6,913</u>
Governmental Activities				
long-term liabilities	<u>\$ 2,311,104</u>	<u>\$</u>	<u>\$ (675,512)</u>	<u>\$ 1,635,592</u>

See Notes 7 and 10 for additional information.

(Continued)

Bossier Parish Communications District Number One
 Benton, Louisiana
 Notes to Financial Statements
 December 31, 2020

(10) Postemployment Health Care and Life Insurance Benefits

General Information about the OPEB Plan

Plan description – The Bossier Parish Communications District Number One (District) provides certain continuing health care and life insurance benefits for its retired employees. The Bossier Parish Communications District Number One's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the District. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the District. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

Benefits Provided – Medical and life benefits are provided through comprehensive plans and are made available to employees upon actual retirement. 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 years of service; age 62 and 10 years of service; or age 67 and 7 years of service. To obtain retiree medical coverage, a retiree must have been in the medical plan for at least fifteen years. For the few employees not covered by the Parochial system, the same retirement eligibility has been assumed.

Life insurance coverage is available to retirees and is based on a 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. Retiree coverage amounts are reduced to a flat \$9,000.

Employees covered by benefit terms – At December 31, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>19</u>
	<u>21</u>

Total OPEB Liability

The District's total OPEB liability of \$1,628,679 was measured at December 31, 2020 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

(Continued)

Bossier Parish Communications District Number One
 Benton, Louisiana
 Notes to Financial Statements
 December 31, 2020
 (Continued)

Inflation	2.5%
Salary increases	4.0%, including inflation
Discount rate	2.74% annually (Beginning of Year to Determine ADC) 2.10%, annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Flat 5.5% annually for ten years, 4.5% thereafter
Mortality	SOA RP-2000 Table

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2020, the end of the applicable measurement period.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2020.

Changes in the Total OPEB Liability

Balance at December 31, 2019	\$ 1,632,594
Changes for the year:	
Service cost	37,206
Interest	44,548
Differences between expected and actual experience	(251,693)
Changes in assumptions	179,546
Benefit payments and net transfers	<u>(13,522)</u>
Net changes	<u>(3,915)</u>
Balance at December 31, 2020	<u>\$ 1,628,679</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.74% in 2019 to 2.12% in 2020.

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.12%) or 1-percentage-point higher (3.12%) than the current discount rate:

	1.0% Decrease (1.12%)	Current Discount Rate (2.12%)	1.0% Increase (3.12%)
Total OPEB liability	\$ 1,883,087	\$ 1,628,679	\$ 1,422,509

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-

(Continued)

Bossier Parish Communications District Number One
 Benton, Louisiana
 Notes to Financial Statements
 December 31, 2020
 (Continued)

percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Healthcare Trent Rate (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 1,464,405	\$ 1,628,679	\$ 1,833,465

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020, the District recognized OPEB expense of \$93,463. At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 40,946	\$ (237,476)
Changes in assumptions	<u>461,070</u>	<u>(112,931)</u>
Total	<u>\$ 502,016</u>	<u>\$ (350,407)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending December 31:	
2021	9,709
2022	9,709
2023	9,709
2024	9,709
2025	9,709
Thereafter	103,064

(11) Uncertainty

As a result of the Covid-19 Coronavirus, economic uncertainties have arisen which are likely to negatively impact financial resources. While the duration on the economic impact is expected to be temporary, there is considerable uncertainty around the duration. The related financial impact and duration cannot be reasonably estimated at this time.

(12) Subsequent Events

Subsequent events have been evaluated through June 29, 2021, the date the financial statements were available to be issued.

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Telephone tariffs	\$ 1,850,000	\$ 1,850,000	\$ 2,223,618	\$ 373,618
Interest	25,000	25,000	41,792	16,792
Other income	50,000	50,000	50,897	897
Total revenues	<u>1,925,000</u>	<u>1,925,000</u>	<u>2,316,307</u>	<u>391,307</u>
Expenditures				
Operations				
Personal services	1,591,500	1,591,500	1,345,074	246,426
Materials and supplies	20,000	20,000	29,611	(9,611)
Contractual and other	664,500	664,500	349,253	315,247
Capital outlay	50,000	50,000	21,072	28,928
Total expenditures	<u>2,326,000</u>	<u>2,326,000</u>	<u>1,745,010</u>	<u>580,990</u>
Excess of revenues over (under) expenditures	(401,000)	(401,000)	571,297	972,297
Fund balances at beginning of year	<u>3,060,700</u>	<u>3,346,401</u>	<u>3,367,542</u>	<u>21,141</u>
Fund balances at end of year	<u>\$ 2,659,700</u>	<u>\$ 2,945,401</u>	<u>\$ 3,938,839</u>	<u>\$ 993,438</u>

See accompanying note to the required supplementary schedule.

Bossier Parish Communications District Number One
 Benton, Louisiana
 Note to Required Supplementary Information
 December 31, 2020

The District's budget is adopted on a cash basis for all funds. There was one amendment to the 2020 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:

	<u>General Fund</u>
Excess of revenues and other sources over expenditures and other uses (budget basis)	\$ 571,297
Adjustments:	
Revenue accruals – net	<u>(76,075)</u>
Excess of revenues and other sources over expenditures and other uses (GAAP basis)	<u>\$ 495,222</u>

Bossier Parish Communications District Number One
 Benton, Louisiana
 Schedule of Changes in Total OPEB Liability and Related Ratios
 For the Year Ended December 31, 2020

	2018	2019	2020
Total OPEB Liability			
Service cost	\$ 32,111	\$ 27,003	\$ 37,206
Interest	43,280	47,625	44,548
Differences between expected and actual experience	(21,226)	47,770	(251,693)
Changes of assumptions	(138,992)	354,627	179,546
Benefit payments	(11,412)	(12,044)	(13,522)
Net change in total OPEB liability	<u>(96,239)</u>	<u>464,981</u>	<u>(3,915)</u>
Total OPEB liability - beginning	<u>1,263,852</u>	<u>1,167,613</u>	<u>1,632,594</u>
Total OPEB liability - ending	<u>\$ 1,167,613</u>	<u>\$ 1,632,594</u>	<u>\$ 1,628,679</u>
Covered-employee payroll	\$ 818,991	\$ 851,751	\$ 960,177
Total OPEB liability as a percentage of covered-employee payroll	142.57%	191.68%	169.62%

Notes to Schedule:

Benefit Changes. There were no changes of benefit terms for the year ended December 31, 2020.

Changes of Assumptions. The discount rate as of 12/31/2019 was 2.74% and it changed to 2.12% as of 12/31/20.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

This 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 Proportionate Share of Net Pension Liability
 For the Year Ended December 31, 2020

Parochial Employee's Retirements System of Louisiana

	<u>Proportion of the net pension liability</u>	<u>Proportionate share of the net pension liability (asset)</u>	<u>Covered employee payroll</u>	<u>Proportionate share of the net pension liability as a percentage of covered employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2020	0.146845%	\$ 6,913	\$ 931,109	0.74%	99.89%
2019	0.152874%	678,510	939,805	72.20%	88.86%
2018	0.142250%	(105,585)	875,574	12.06%	101.98%
2017	0.133246%	274,422	790,228	34.73%	94.15%
2016	0.131424%	345,946	753,527	45.91%	92.23%
2015	0.133174%	36,411	763,795	4.77%	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, 2020

Parochial Employee's Retirement System of Louisiana

	<u>Contractually required contribution</u>	<u>Contributions in relation to the contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Covered employee payroll</u>	<u>Contributions as a percentage of covered employee payroll</u>
2020	\$ 120,212	\$ 120,212	\$	\$ 981,321	12.25%
2019	107,078	107,078		931,109	11.50%
2018	108,078	108,078		939,805	11.50%
2017	109,447	109,447		875,574	12.50%
2016	102,730	102,730		790,228	13.00%
2015	109,261	109,261		753,527	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, 2020
(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, 2020 is \$1,635,871.

Bossier Parish Communications District Number One
Benton, Louisiana
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended December 31, 2020

Agency Head: Tracey Hilburn, Administrator

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 98,500
Benefits-retirement	12,066
Benefits-insurance	10,075
Per diem	198
Travel	254
Memberships	378
Cell phone	825

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SOCIETY OF LOUISIANA
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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, 2020, 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 29, 2021.

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) as a basis for designing 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 the 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 financial statements. 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Summary Schedule of Current Year Audit Findings as item 2020-001.

Bossier Parish Communications District Number One's Response to Finding

Bossier Parish Communications District Number One's response to the finding identified in our audit is described in the accompanying Summary Schedule of Current Year Audit Findings. Bossier Parish Communications District Number One's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 29, 2021

Bossier Parish Communications District Number One
Benton, Louisiana
Summary Schedule of Audit Findings
December 31, 2020

Summary Schedule of Prior Audit Findings

There were no findings for the prior year audit for the year ended December 31, 2019.

Summary Schedule of Current Year Audit Findings

There is one finding for the current year audit for the year ended December 31, 2020.

2020-001

Condition: At December 31, 2020, bank balances totaling \$184,773 were uninsured.

Criteria: State law requires that bank balances be fully secured by Federal Depository Insurance (FDIC) or collateralized by the pledging bank's trust department.

Cause: The shortage of collateral was due to an oversight by the bank. Additional collateral was pledged in January 2021 to cover the shortage.

Effect: The District was not in compliance with state laws which require bank balances be fully insured or collateralized at all times.

Recommendation: We recommend the District implement procedures for insuring that all bank balances are fully insured or collateralized at all times.

Views of Responsible Officials and Planned Corrective Actions: The District will monitor its bank balances monthly to ensure that all deposits are fully insured by Federal Depository Insurance (FDIC) or collateralized by the pledging bank's trust department. All deposits were fully insured as of January 29, 2021.