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

Financial Statements

As of and For the Year Ended December 31, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JUL 26 2000

Bossier Parish Communications District Number One
Benton, Louisiana

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COOK & MOREHART

Certified Public Accountants

1215 HAWN AVENUE • SHREVEPORT, LOUISIANA 71107 • P.O. BOX 78240 • SHREVEPORT, LOUISIANA 71137-8240

TRAVIS H. MOREHART, CPA
A. EDWARD BALL, CPA

TELEPHONE (318) 222-5415

FAX (318) 222-5441

RAYEBURN G. COOK (RET.)

VICKIE D. NOBLE, CPA

MEMBER
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

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

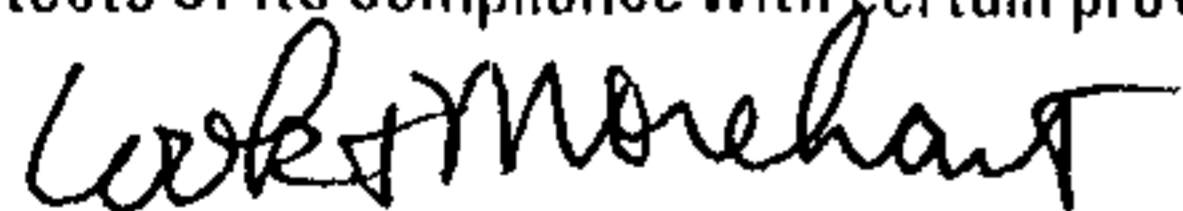
We have audited the accompanying general purpose financial statements of the Bossier Parish Communications District Number One (the "District"), a component unit of the Bossier Parish Police Jury, as of and for the year ended December 31, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the District at December 31, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

The information included as Required Supplementary Information on page 12 is not a required part of the basic financial statements but is supplementary information required by Louisiana Revised Statute 33:9101. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information, and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 5, 2000 on our consideration of Bossier Parish Communications District Number One's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.



Cook & Morehart
Certified Public Accountants
June 5, 2000

Bossier Parish Communications District Number One
 Benton, Louisiana
 Balance Sheet - General Fund and Account Groups
 December 31, 1999
 (With Comparative Totals For December 31, 1998)

	General Fund	General Fixed Assets Account Group	Totals (Memorandum Only)	
			1999	1998
Assets				
Cash	\$ 710,445		\$ 710,445	\$ 400,028
Investments	349,969		349,969	700,117
Accounts receivable - telephone tariffs	100,920		100,920	75,637
Accrued interest receivable	8,375		8,375	7,221
Investment in fixed assets		695,124	695,124	448,290
Total assets	\$ 1,169,709	\$ 695,124	\$ 1,864,833	\$ 1,631,293
Liabilities and Fund Equity				
Liabilities:				
Accounts payable	\$ 10,590		\$ 10,590	\$ 25,852
Payroll taxes payable	1,570		1,570	1,217
Total liabilities	\$ 12,160		12,160	27,069
Fund Equity:				
Investment in general fixed assets		695,124	695,124	448,290
Fund balance - unreserved - undesignated	1,157,549			1,155,934
Total fund equity	1,157,549	695,124	1,852,673	1,604,224
Total liabilities and fund equity	\$ 1,169,709	\$ 695,124	\$ 1,864,833	\$ 1,631,293

The accompanying notes are an integral part of this statement.

Bossier Parish Communications District Number One
 Benton, Louisiana
 General Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 For the Year Ended December 31, 1999
 (With Comparative Total For the Year Ended December 31, 1998)

	1999	1998
Revenues		
Telephone tariffs	\$ 522,046	\$ 493,453
Cellular phone revenue	194,193	153,802
Interest	47,231	64,060
Other income	29,966	-
	793,436	711,315
Expenditures		
Operations:		
Personal services	329,788	300,573
Material and supplies	13,504	9,808
Contractual and other	201,694	196,086
Capital outlay	246,835	16,841
	791,821	523,308
Excess of revenues over expenditures	1,615	188,007
Fund balance at beginning of year	1,155,934	967,927
Fund balance at end of year	\$ 1,157,549	\$ 1,155,934

The accompanying notes are an integral part of this statement.

Bossier Parish Communications District Number One
 Benton, Louisiana
 General Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Cash Basis) and Actual
 For the Year Ended December 31, 1999

	Actual	Budget	Variance Favorable (Unfavorable)
Revenues			
Telephone tariffs	\$ 690,956	\$ 535,000	\$ 155,956
Interest	46,076	40,000	6,076
Other income	29,966	25,000	4,966
	766,998	600,000	166,998
Expenditures			
Operations:			
Personal services	329,788	341,500	11,712
Material and supplies	13,123	23,300	10,177
Contractual and other	203,109	206,300	3,191
Capital outlay	261,082	650,000	388,918
	807,102	1,221,100	413,998
Excess of revenues over expenditures	(40,104)	(621,100)	580,996
Fund balance at beginning of year	1,093,115	806,207	286,908
Fund balance at end of year	\$ 1,053,011	\$ 185,107	\$ 867,904

The accompanying notes are an integral part of this statement.

Bossier Parish Communications District Number One
Benton, Louisiana
Notes to Financial Statements
December 31, 1999

(1) Summary of Significant Accounting Policies

The Bossier Parish Communications District Number One (the "District") was created by the Bossier Parish Police Jury by ordinance on December 10, 1985, as provided under the Louisiana Revised Statute 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 1999. 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.

A. Basis of Presentation

The accompanying financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. 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.

C. Fund Accounting

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

(Continued)

Bossier Parish Communications District Number One
Benton, Louisiana
Notes to Financial Statements
December 31, 1999
(Continued)

Funds of the District are classified as governmental funds. Governmental funds account for the district's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the District include:

General Fund – the general operating fund of the district and accounts for all financial resources, except those required to be accounted for in other funds.

The General Fixed Asset Account Group establishes accounting controls and accountability for the District's general fixed assets.

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

Governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Expenditures are recognized when the related fund liability is incurred.

E. Budgets

The District uses the following budget practices:

- (1) The budget sub-committee prepares a proposed budget and submits it to the Board of Commissioners. At the same time, a public hearing is called.
- (2) A public hearing is held on the proposed budget.
- (3) After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted at least fifteen days prior to the commencement of the fiscal year for which the budget is being adopted.

(Continued)

Bossier Parish Communications District Number One
 Benton, Louisiana
 Notes to Financial Statements
 December 31, 1999
 (Continued)

- (4) The budget document is structured such that revenues are budgeted by source and appropriations are budgeted by function and by object. District policy provides that expenditures may not legally exceed appropriations on a functional basis. Budgetary amendments require approval of the Board of Commissioners. Two budget revisions were made during the year ended December 31, 1999.
- (5) All budgetary appropriations lapse at the end of each fiscal year.
- (6) The basis of accounting applied to budgetary data is presented on the cash basis of accounting for the fund.

The budget comparison statement included in the accompanying financial statements includes the original adopted budget and all subsequent amendments. The following schedule reconciles excess (deficiency) of revenues and other sources over expenditures and other uses on the statement on page 4 (budget basis) with the amounts shown on the statement on page 3 (GAAP basis):

	General Fund
Excess (deficiency) of revenues over expenditures (budget basis)	\$ (40,104)
Adjustments:	
Revenue accruals – net	26,438
Expenditure accrual – net	15,281
Excess (deficiency) of revenues over expenditures (GAAP basis)	\$ 1,615

F. Encumbrances

Encumbrance accounting is employed as an extension of the formal budgetary process. Under this method, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Any encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. There were no encumbrances outstanding at December 31, 1999.

(Continued)

Bossier Parish Communications District Number One
Benton, Louisiana
Notes to Financial Statements
December 31, 1999
(Continued)

G. Cash and Cash Equivalents and Investments

Cash includes amounts in demand deposits, interest bearing demand deposits, and time deposits. Under state law, the District may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits 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 and the District's investment policy. If their 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 stated at cost.

H. Fixed Assets

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost, if purchased, and at fair market value at date of gift, if donated.

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, 1999. The cost of leave privileges, computed in accordance with the above policy, is recognized as a current-year expenditure within the various funds when leave is actually taken.

J. Total Columns on Combined Statements

The total columns on the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

(Continued)

Bossier Parish Communications District Number One
Benton, Louisiana
Notes to Financial Statements
December 31, 1999
(Continued)

K. Telephone Tariffs and Cellular Phone Revenue

The District's primary revenue source is the telephone tariff collected by area telephone companies. Tariffs of \$.66 and \$1.82 are charged to their residential and commercial customers, respectively, on their monthly telephone bills. Beginning in 1995, cellular 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 pay a sur-charge of \$.66 for all customers. The legislation also 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. The revenues are dedicated to the operations of the emergency telephone systems. Revenue is recorded as it is earned.

L. Use of Estimates

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

(2) Cash and Cash Equivalent

At December 31, 1999, the District has cash and cash equivalents (book balances) totaling \$710,445 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. These securities are held in the name of the pledging fiscal agent bank in a custodial bank that is mutually acceptable to both parties. At December 31, 1999, the District had \$727,717 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$394,080 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). The remaining \$233,637 was unsecured. On January 4, 2000, the District transferred \$249,465 of its deposits into a U.S. Treasury Note. As of January 4, 2000, all of the District's deposits were secured.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, 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 District that the fiscal agent has failed to pay deposited funds upon demand.

(Continued)

Bossier Parish Communications District Number One
 Benton, Louisiana
 Notes to Financial Statements
 December 31, 1999
 (Continued)

(3) Investments

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the District or its agent in the District's name
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the District's name
3. Uninsured and unregistered, with securities, with securities held by the counterpart, or by its trust department or agent but not in the District's name

At December 31, 1999, the District had investments totaling \$349,969 consisting of U.S. Treasury Bills and Notes. The market value of this particular type of investment is not materially different from its carrying amount. The investments are in the name of the District and are held by the District's fiscal agent. The investments are considered category 1 in applying the credit risk of GASB.

(4) Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance January 1, 1999	Additions	Deductions	Balance December 31, 1999
Land	\$ 17,500	\$ -	\$ --	\$ 17,500
Building	291,258	211,356	--	502,614
Equipment	139,532	35,478	--	175,010
	<u>\$ 448,290</u>	<u>\$ 246,834</u>	<u>\$ -</u>	<u>\$ 695,124</u>

(5) Pending Litigation

The District is currently the defendant in one pending lawsuit. The ultimate outcome of the litigation is unknown at the present time. Accordingly, no provision for any liability that might result has been made in the accompanying financial statements. In the opinion of management, the existing litigation is not considered to be material in relation to the District's financial position.

(Continued)

Bossier Parish Communications District Number One
Benton, Louisiana
Notes to Financial Statements
December 31, 1999
(Continued)

(6) Pension Plan

Substantially, all employees of the District are members of the Parochial Employees Retirement System of Louisiana (System), a cost sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the District are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from District funds are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one per cent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefits accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 7.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one per cent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the District are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District's contributions to the System under Plan A for the years ending December 31, 1999, 1998, and 1997, were \$17,685, \$16,042, and \$13,161, respectively, equal to the required contributions for each year.

(7) 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.

Bossier Parish Communications District Number One
Benton, Louisiana

Required Supplementary Information
In Accordance with Louisiana Revised Statute 33:9101

Three Years Ended December 31, 1997, 1998, and 1999
(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. The District is currently engaging in contract negotiations with the wireless service providers within Bossier Parish to ascertain the total costs associated with the implementation of Phase 1 of the FCC order 94-102.

Total revenues derived from wireless service providers in Bossier Parish for the years ended December 31, 1997, 1998, and 1999 are as follows:

1997	\$ 76,809
1998	153,802
1999	<u>194,193</u>
	<u>\$ 424,804</u>

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FAX (318) 222-5441

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Report on Compliance and on Internal Control Over Financial
Reporting Based on an Audit of Financial Statements
Performed In Accordance With *Government Auditing Standards*

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

We have audited the general purpose financial statements of Bossier Parish Communications District Number One as of and for the year ended December 31, 1999, and have issued our report thereon dated June 5, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

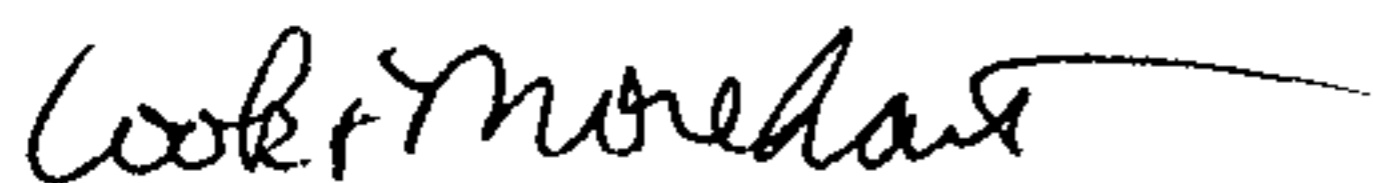
Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Bossier Parish Communications District Number One's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization, and the Board of Commissioners and is not intended to be and should not be used by anyone other than these specified parties.



Cook & Morehart
Certified Public Accountants
June 5, 2000

Bossier Parish Communications District Number One
Benton, Louisiana
Summary Schedule of Audit Findings
December 31, 1999

Summary Schedule of Prior Audit Findings

There were no findings or management letter comments for the prior year audit for the year ended December 31, 1998.

Corrective Action Plan for Current Year Audit Findings

There are no findings or management letter comments for the current year audit for the year ended December 31, 1999.