

**LOUISIANA UNIFORM LOCAL SALES TAX BOARD**

Port Allen, Louisiana

**FINANCIAL REPORT**

June 30, 2019

# LOUISIANA UNIFORM LOCAL SALES TAX BOARD

Port Allen, Louisiana

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# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA\*  
Victor R. Slaven, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Brad E. Kolder, CPA, JD\*  
Stephen J. Anderson, CPA\*  
Christine C. Doucet, CPA  
Wanda F. Arcement, CPA, CVA  
Bryan K. Joubert, CPA  
Matthew E. Margaglio, CPA  
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd. 11929 Bricksome Ave.  
Lafayette, LA 70508 Baton Rouge, LA 70816  
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.  
Alexandria, LA 71301 New Iberia, LA 70560  
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.  
Abbeville, LA 70510 Morgan City, LA 70380  
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.  
Ville Platte, LA 70586 Oberlin, LA 70655  
Phone (337) 363-2792 Phone (337) 639-4737

\* A Professional Accounting Corporation

WWW.KCSRPCAS.COM

## INDEPENDENT AUDITOR'S REPORT

To the Board Members of the  
Louisiana Uniform Sales Tax Board  
Port Allen, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Louisiana Uniform Sales Tax Board (the Board), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Board'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.

### *Auditor's 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 the major fund of the Board, as of June 30, 2019, and the respective changes in financial position 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 the budgetary comparison information on pages 4 through 9 and 24 through 25 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 Board's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head, on page 26 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The 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 records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2019, on our consideration of the Board'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 the Board'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 Board's internal control over financial reporting and compliance.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Abbeville, Louisiana  
December 19, 2019

**LOUISIANA UNIFORM LOCAL SALES TAX BOARD**  
Port Allen, Louisiana

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the Louisiana Uniform Local Sales Tax Board of the Parish of Baton Rouge, Louisiana (the Board) we are pleased to provide an overview of our financial activities for the year ended June 30, 2019. Please read it in conjunction with the Board's financial statements, which begin on page 9. The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts.

The information contained within this MD&A should be considered only a part of a greater whole, as should all other sections in this financial report. The readers of this statement should take the time to read in conjunction with the financial statements, including the footnotes and the other Required Supplemental Information (RSI) provided as required components of this annual financial report.

**FINANCIAL HIGHLIGHTS**

In 2019, the Board experienced an increase in net position and in fund balance.

The major financial highlights for 2019 are as follows:

- Assets of the Board's primary government exceeded its liabilities at the close of the year by approximately \$1.1 million (net position).
- The primary government's total net position increased by approximately \$673,000 during 2019.
- As of the end of the year, the primary government's governmental funds reported fund balances of approximately \$1.1 million.
- The General Fund's fund balance increased by approximately \$675,000 during 2019.

Significant aspects of the Board's financial well-being as of and for the year ended June 30, 2019 are detailed throughout this analysis.

## USING THIS ANNUAL REPORT

The Board's financial statements focus on the government as a whole and on major individual funds. Both perspectives allow the reader to address relevant questions, broaden a basis for comparison from year to year, and enhance the Board's accountability.

This annual report consists of a series of financial statements. The government-wide Statement of Net Position and the Statement of Activities (on pages 9 and 10, respectively) provide information about the activities of the Board as a whole and present a longer-term view of the Board's finances.

Fund financial statements start on page 11. For governmental activities, these statements illustrate how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Board's operations in more detail than the government-wide statements by providing additional information about the Board's General Fund.

### Reporting on the Board as a Whole

Our analysis of the Board as a whole begins on page 9. The Statement of Net Position and the Statement of Activities report information about its activities in a way to determine if the Board is in better condition as a result of the year's financial results. These statements include all assets and liabilities using the full accrual basis of accounting, which is similar to accounting methods used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods.

These two statements report the Board's net position and related changes. One can think of the Board's net position - the difference between assets and liabilities - as one way to measure the Board's financial health or financial position. Over time, increases or decreases in the Board's net position are one indicator of whether its financial health is improving or deteriorating. One will need to consider other non-financial factors, however, such as changes in the Board's agreements with local tax collectors to assess the overall health of the Board.

**Governmental activities** - All of the Board's services are reported here, which include the general funding and related administration of the Board. Sales tax revenues finance most of these activities.

At June 30, 2019, the Board's net position was \$1.1 million for governmental activities, of which \$6,000 was invested in capital assets and the remainder was unrestricted. The Board does not have restricted net position, which is reported separately to show legal constraints from debt covenants and enabling legislation that limits the Board's ability to use that net position for day-to-day operations.

The analysis below of the primary government focuses on the net position and change in net position of the Board's governmental activities and is as follows:

Louisiana Uniform Local Sales Tax Board  
 Statements of Net Position  
 June 30, 2019 and 2018  
 (in thousands)

	2019	2018
Cash and cash equivalents	\$ 1,089	\$ 391
Capital assets	5	8
Total assets	\$ 1,094	\$ 399
Current and other liabilities	27	5
Net positions:		
Net investment in capital assets	5	8
Unrestricted	1,062	386
Total liabilities and net position	\$ 1,094	\$ 399

Net position of the Board's governmental activities increased by \$673,000 or 171% during 2019. The change in net position was primarily due to sales tax in excess of expenditures for professional fees and other operational expenditures.

The \$1.1 million in unrestricted net position of governmental activities represents the accumulated results of operations, or the residual that would remain after the Board paid all of its obligations. The changes in net position are discussed later in this analysis.

(Continued)

The results of this year's operations for the primary government as a whole as reported in the Statement of Activities are as follows:

Louisiana Uniform Local Sales Tax Board  
Statement of Activities  
For the year ended June 30, 2019 and 2018  
(in thousands)

	2019	2018
General Revenues:		
Sales and use tax	\$ 1,020	\$ 450
Investment	10	-
Total revenues	1,030	450
Functions/Programs Expenses:		
General government	357	56
Change in net position	673	394
Beginning net position	394	-
Ending net position	1,067	394

**Fund Financial Statements**

A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. These statements focus on the major funds rather than generic fund types.

**Reporting on the Board as a Whole**

Our analysis of the Board's General Fund begins on page 11 with the fund financial statements that provide detailed information about the General Fund. The General Fund is required to be established by state law. However, the Board may establish other funds to control and manage money for particular purposes or to meet legal responsibilities for using certain taxes, grants, and other money. The Board has not established any other funds other than the General Fund.

**Governmental funds** - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. All of the Board's services are reported in one governmental fund, the General Fund. This fund is reported using the modified accrual basis of 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 Board's general government operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Board's programs.

The relationship (or differences) between governmental activities, reported in the Statement of Net position and the Statement of Activities, and governmental funds are described in a reconciliation to the financial statements.

**Notes to the financial statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements and begin on page 15.

**Other information** - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning original and final budgetary comparisons to actual results for the year for the Board's major fund, the General Fund, which can be found on page 23.

**Financial Analysis of the Government's Funds**

The general government operations of the Board are accounted for in the General Fund. The focus of this fund, as noted earlier, is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Board's financing requirements. The following is a summary of the Board's operations for 2019 for the General Fund:

	(in thousands) 2019	(in thousands) 2018
Revenues	\$ 1,030	\$ 450
Expenditures	355	64
Net change in fund balance	675	386
Fund balance, beginning of year	386	-
Fund balance, ending of year	1,061	386

The Board's General Fund experienced an increase in fund balance of \$675,000 or 175% during 2019.

Sources of governmental revenues are summarized below:

Source of Revenue	(in thousands) 2019		(in thousands) 2018	
	Revenue	%	Revenue	%
Sales tax	\$ 1,020	99	\$ 450	100
Other	10	1	1	1>
Total	<u>\$ 1,030</u>	<u>100</u>	<u>\$ 451</u>	<u>100</u>

Expenditures of the primary government were \$355,000. The largest expenditures were professional fees of \$234,000 for accounting and legal services.

### **CAPITAL ASSETS**

At the end of 2019, the Board had approximately \$5,111 invested in equipment.

The Board's final 2019 capital outlay budget provided for expenditures of \$110,000; however, no funds were spent due to anticipated projects not beginning before year end. More detailed information on the Board's capital assets is presented in Note 4 to the financial statements.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Board is reliant upon House Bill No. 601, which accounts for all of its revenues. The budgeted expenditures for 2020 are expected to decrease by \$44,500 or 5%. The Board only budgeted \$5,000 in revenues related to investment income for 2020.

#### **Contacting the Board's Financial Management**

This financial report is designed to provide a general overview of the Board's finances for all those with an interest in the Board's finances. If you have questions about this report or need additional financial information, contact the Louisiana Uniform Local Sales Tax Board, at P.O. Box 404, Port Allen, Louisiana, 70767.

**LOUISIANA UNIFORM LOCAL SALES TAX BOARD**

Port Allen, Louisiana

**STATEMENT OF NET POSITION**

June 30, 2019

	<u><b>Governmental Activities</b></u>
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 1,089,220
<b>EQUIPMENT, net</b>	
	<u>5,111</u>
Total assets	<u><u>\$ 1,094,331</u></u>
<b>LIABILITIES AND NET POSITION</b>	
Accounts payable and accrued liabilities	\$ 27,819
<b>NET POSITION</b>	
Net investment in capital assets	5,111
Unrestricted	<u>1,061,401</u>
Total net position	<u><u>1,066,512</u></u>
Total liabilities and net position	<u><u>\$ 1,094,331</u></u>

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

## LOUISIANA UNIFORM LOCAL SALES TAX BOARD

Port Allen, Louisiana

## STATEMENT OF ACTIVITIES

For the year ended June 30, 2019

	Program Revenues			Net (Expenses)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
				Governmental Activities
<b>Governmental activities</b>				
General government	\$ 357,578	\$ -	\$ -	\$ -
General revenues:				
Sales and use tax				1,020,747
Investment earnings				9,617
Total general revenues				1,030,364
Change in net position				672,786
Net position - beginning of year				393,726
Net position - end of year				\$ 1,066,512

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

**LOUISIANA UNIFORM LOCAL SALES TAX BOARD**

Port Allen, Louisiana

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

June 30, 2019

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,089,220
<b>LIABILITIES</b>	
Accounts payable and other accrued expenses	\$ 27,819
<b>FUND BALANCE</b>	
Unassigned	<u>1,061,401</u>
Total liabilities and fund balance	<u>\$ 1,089,220</u>

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

**LOUISIANA UNIFORM LOCAL SALES TAX BOARD**

Port Allen, Louisiana

**RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

June 30, 2019

Total fund balances - governmental funds (Exhibit A-2)	\$ 1,061,401
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	<u>5,111</u>
Net position of governmental activities (Exhibit A)	<u>\$ 1,066,512</u>

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

**LOUISIANA UNIFORM LOCAL SALES TAX BOARD**

Port Allen, Louisiana

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS**

For the year ended June 30, 2019

	<b>General Fund</b>
	<hr/>
<b>REVENUES</b>	
Sales and use tax	\$ 1,020,747
Interest	9,617
	<hr/>
Total revenues	1,030,364
	<hr/>
<b>EXPENDITURES</b>	
Current function:	
General government:	
Professional fees	234,158
Personnel	107,650
Other	13,103
	<hr/>
Total expenditures	354,911
	<hr/>
Net change in fund balance	675,453
<b>FUND BALANCE</b>	
Beginning of year	385,948
	<hr/>
End of year	\$ 1,061,401
	<hr/>

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

**LOUISIANA UNIFORM LOCAL SALES TAX BOARD**

Port Allen, Louisiana

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUNDS TO  
THE STATEMENT OF ACTIVITIES**

For the year ended June 30, 2019

Net change in fund balance - total governmental fund (Exhibit A-4)	\$ 675,453
The change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlay as expenditures. However in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation Expense	<u>(2,667)</u>
Change in net position of governmental activities (Exhibit A-1)	<u>\$ 672,786</u>

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

**LOUISIANA UNIFORM LOCAL SALES TAX BOARD**  
Port Allen, Louisiana

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Operations**

The Louisiana Uniform Local Sales Tax Board (the Board) is an entity designated by the State of Louisiana with House Bill 601, which took effect on June 16, 2017, to simplify state and local sales and use taxes. Members include the executive directors of the Louisiana Municipal Association, School Boards Association, Policy Jury Association, and the Sheriffs Association. The duties of the Board include: supporting and advising local tax collectors; promulgating rules, including rules to establish a uniform voluntary disclosure program for taxpayers seeking relief from penalties; entering into agreements with local tax collectors; prescribing uniform forms and model procedures; procuring the development of computer software and equipment for the collection and administration of local taxes; issuing policy advice and private letter ruling; and developing a coordinating multi-parish audit process.

In addition, the Board establishes uniform standards and forms for the purpose of refund requests for all local sales and use taxes. The Board shall serve as the central filing agency for all refund claims involving two or more Louisiana parishes having transactions similar in fact. The filing of a refund claim with the Board shall suspend the running of prescription. The board shall notify the respective tax collector within fifteen days of receipt of a refund request.

**Financial Statement Presentation**

The financial statements of the Board have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing U.S. GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by U.S. GAAP and used by the Board are described on the following pages.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Financial statement presentation (Continued)

The financial statements comply with GASB approved Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* and include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Board’s overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the Board’s activities.
- A change in the fund financial statements to focus on the major funds.

The Board’s basic financial statements consist of the government-wide statements of the primary government (the Board) and the fund financial statements (the General Fund). The Board’s financial statements are prepared in accordance with U.S. GAAP and applied to governmental units. Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB.

### Government-wide Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all non-fiduciary activities of the Board. The government-wide presentation focuses primarily on the sustainability of the government as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### **Fund Financial Statements**

The fund financial statements are very similar to the traditional government fund statements as prepared by governments prior to the issuance of GASB No. 34. Emphasis is now on the major funds in either the governmental or business-type categories. The Board consists of one governmental fund, the General Fund.

### ***Governmental Fund Types***

Governmental funds are those through which governmental functions of the Board are financed. The acquisition, use, and balances of expendable financial resources and related liabilities of the Board are accounted for through governmental funds. Measurement is focused upon determining changes in financial position rather than net income. The following are the governmental fund types of the Board:

**General Fund** - The general fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund. The general fund is always a major fund.

### **Basis of Accounting and Measurement Focus**

#### ***Government-wide Financial Statements***

The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

#### ***Fund Financial Statements***

All 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 in the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). "Available" means collectible within the current period or within 60 days after year-end. Charges for services, fines and forfeitures, and most governmental miscellaneous revenues, are recorded as earned since they are measurable and available.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Fund Financial Statements (Continued)***

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except (1) unmatured interest on general long-term debt, which is recognized when due, and (2) claims and judgments and compensated absences, which are recorded as expenditures in the governmental fund when paid with expendable financial resources. Allocations of costs such as depreciation and amortization are not recognized in the governmental funds.

**Cash and cash equivalents**

The Board considers all highly liquid debt instruments, including money markets and certificates of deposits available for current use, with an initial maturity of three months or less, to be cash equivalents. There were no cash equivalents as of June 30, 2019.

**Capital Assets**

***Government-wide Statements***

The accounting treatment of property, plant, equipment, and infrastructure assets (capital assets), are reported in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation. Major outlays for capital assets and improvements are capitalized at completion of the construction projects.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are expensed, while improvements that add to the value or extend asset lives are capitalized.

Depreciation of all exhaustible capital assets, other than land, is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Computer equipment	3 years
--------------------	---------

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Capital Assets (Continued)

#### *Fund Financial Statements*

In the fund financial statements, capital assets used in governmental fund operations are not capitalized. Instead, capital acquisition and construction are reflected as capital outlay expenditures in the governmental funds.

### Government-wide Net Position

Government-wide net position is divided into three components:

- Net investment in capital assets - consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net position - consist of net position that is restricted by the Board's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors. The Board has no restricted net position as of June 30, 2019.
- Unrestricted - all other net position is reported in this category.

### Governmental Fund Balances

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

- Nonspendable - Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted - Amounts that can be spent only for specific purposes because of the state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed - Amounts that can be used only for specific purposes determined by a formal action by Board ordinance. This includes the budget reserves.
- Assigned - Amounts that are designated by the Executive Director for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by the Board.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Governmental Fund Balances (Continued)

- Unassigned - All amounts not included in other spendable classifications.

### Use of Donor Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources, the Board's policy is to apply the expenditure in the following priority:

1. Restricted fund balance,
2. Committed fund balance,
3. Assigned fund balance, and
4. Unassigned fund balance.

### Budget Policy and Budgetary Accounting

#### *Policy and Practice*

The Executive Director submits an annual budget for the General Fund to the Board in accordance with Louisiana Local Government Budget Act. The budget is presented to the Board for review, and public hearings are held to address the proposed appropriations. Once approved and adopted by the Board, they may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

#### *Basis of Budgeting*

The General Fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source and expenditures are budgeted by function. Budget revisions at this level are subject to final review by the Board. The legal level of control is by function within the General Fund. Expenditures may not exceed appropriations at this level. Various amendments to the budget were made throughout the year.

The General Fund budget is prepared on the modified accrual basis. The budget and actual financial statement is reported on this basis. Unencumbered appropriations for annual budgeted funds lapse at fiscal year-end.

### Advertising

The board expenses advertising costs as incurred. For the year ended June 30, 2019, the board incurred no advertising costs.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 and disclosures of contingent assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of the government-wide financial statements during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for depreciation and accrued liabilities.

**Subsequent Events**

The Board has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through the date of the auditor's report.

**NOTE 2 - DEPOSITS**

At June 30, 2019, the carrying amount of the primary government's deposits was \$1,089,220 and the bank balance was \$1,089,498. The bank balance is secured by federal depository insurance and collateral held by the Board's agent in the Board's name.

Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be returned to it. The Board's cash policy, as well as state law, require that deposits be fully secured. At year end, the Board's deposits were not exposed to any custodial risk.

The above stated bank balance for the primary government is collateralized as follows:

Federal deposit insurance (FDIC)	\$ 250,000
Pledged securities in the Board's name	<u>839,498</u>
Total bank balance	<u>\$ 1,089,498</u>

**NOTE 3 - ECONOMIC DEPENDENCY**

The Louisiana Legislature passed in House Bill No. 601 (HB 601) of the 2017 Louisiana Legislative Session to establish the Board as a political subdivision of the State. HB 601 provides the Board to be funded by statewide collections of local sales and use tax on motor vehicles within the State of Louisiana. This funding is 99% of the Board's revenue for the year ended June 30, 2019.

**NOTE 4 - CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2019 is as follows:

<b>Governmental Activities :</b>	<u>Beginning</u>			<u>Ending</u>
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
<b>Capital assets being depreciated:</b>				
Computers and technology	\$ 8,000	\$ -	\$ -	\$ 8,000
Less: accumulated depreciation	<u>(222)</u>	<u>(2,667)</u>	<u>-</u>	<u>(2,889)</u>
<b>Total capital assets, net</b>	<u>\$ 7,778</u>	<u>\$ (2,667)</u>	<u>\$ -</u>	<u>\$ 5,111</u>

Depreciation expense was \$2,667 for 2019.

**NOTE 5 - GOVERNING BODY COMPENSATION**

The governing board received no compensation for the year ended June 30, 2019.

**NOTE 6 - COMMITMENTS AND CONTINGENCIES**

**Suits and Claims**

On December 11, 2019, the Louisiana Supreme Court deemed that the Board's funding mechanism (See Note 3) of collection of motor vehicle sales taxes from each parish through the State of Louisiana's Department of Public Safety and Corrections, Office of Motor Vehicles, to be unconstitutional. The ruling only ceases the remittance of funding to the Board going forward.

**LOUISIANA UNIFORM LOCAL SALES TAX BOARD**

Port Allen, Louisiana

**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL**

For the year ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
<b>REVENUES</b>				
Sales and use tax	\$ 1,100,000	\$ 1,100,000	\$ 1,020,747	\$ (79,253)
Interest and other	1,200	1,200	9,617	8,417
Total revenues	<u>1,101,200</u>	<u>1,101,200</u>	<u>1,030,364</u>	<u>(70,836)</u>
<b>EXPENDITURES</b>				
Current function:				
Sales tax board:				
Professional fees	495,000	495,000	234,158	260,842
Personnel	212,626	212,626	107,650	104,976
Maintenance	90,147	90,147	-	90,147
Supplies	15,000	15,000	2,395	12,605
Travel	15,000	15,000	10,708	4,292
Capital outlay	<u>110,000</u>	<u>110,000</u>	<u>-</u>	<u>110,000</u>
Total expenditures	<u>937,773</u>	<u>937,773</u>	<u>354,911</u>	<u>582,862</u>
Net change in fund balance	<u>\$ 163,427</u>	<u>\$ 163,427</u>	675,453	<u>\$ 512,026</u>
<b>FUND BALANCE</b>				
Beginning of year			<u>385,948</u>	
End of year			<u>\$ 1,061,401</u>	

The accompanying notes to financial statements  
are an integral part of this statement

**LOUISIANA UNIFORM SALES TAX BOARD**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

June 30, 2019

**NOTE 1 - BUDGETS**

**Budget Policy and Budgetary Accounting**

A proposed budget is prepared and submitted by the Executive Director of the governing board prior to the beginning of each fiscal year. A budget summary and notice of a public hearing is published with the public hearing being conducted prior to the commencement of the budget year.

The annual operating budget, prepared on the modified accrual basis, covers the General Fund. At the end of the fiscal year unexpended appropriations automatically lapse. Budget amendments are approved by the governing board and are included in the financial statements.

In connection with budget preparation, a portion of the unassigned fund balance of an individual fund may be designated for expenditures of the subsequent year. Such designation represents the extent to which the fund balance is used to balance the subsequent year's operating budget of that fund as reflected in the legally adopted budget.

**Basis of Accounting**

The Board's budget is prepared on the modified accrual basis of accounting as described in Note 1 to the Board's financial statements for the year ended June 30, 2019.

**LOUISIANA UNIFORM LOCAL SALES TAX BOARD**

Port Allen, Louisiana

**SCHEDULE OF COMPENSATION, BENEFITS AND  
OTHER PAYMENTS TO AGENCY HEAD**

For the year ended June 30, 2019

**Agency Head:** Roger Bergeron, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 100,000
Travel - mileage	557
General supplies	<u>156</u>
Total	<u>\$ 100,713</u>

The accompanying notes to financial statements  
are an integral part of this statement

# KOLDER, SLAVEN & COMPANY, LLC

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Victor R. Slaven, CPA\*  
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Wanda F. Arcement, CPA, CVA  
Bryan K. Joubert, CPA  
Matthew E. Margaglio, CPA  
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd. 11929 Bricksome Ave.  
Lafayette, LA 70508 Baton Rouge, LA 70816  
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.  
Alexandria, LA 71301 New Iberia, LA 70560  
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.  
Abbeville, LA 70510 Morgan City, LA 70380  
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.  
Ville Platte, LA 70586 Oberlin, LA 70655  
Phone (337) 363-2792 Phone (337) 639-4737

\* A Professional Accounting Corporation

WWW.KCSRPCAS.COM

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board Members of the  
LA Uniform Sales Tax Board  
Port Allen, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the LA Uniform Sales Tax Board, (the Board) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued our report thereon dated December 19, 2019.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 the Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 2019-001.

### **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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Abbeville, Louisiana  
December 19, 2019

Louisiana Uniform Local Sales Tax Board  
Port Allen, Louisiana

Schedule of Current and Prior Year Audit Findings  
And Management's Corrective Action Plan  
Year Ended June 30, 2019

Part I: Current Year Findings and Management's Corrective Action Plan

A. Internal Control Over Financial Reporting

None reported.

B. Compliance

2019-001 Budget non-compliance

CONDITION: Actual revenues failed to meet budgeted revenue by more than 5%

CRITERIA: LSA-RS 39:1311 et seq, Budgetary Authority and Control, provides for the following:

"A. The adopted budget and any duly authorized adopted amendments shall form the framework from which the chief executive or administrative officers and members of the governing authority of the political subdivision shall monitor revenues and control expenditures.

The chief executive or administrative officer for a political subdivision subject to public participation shall advise the governing authority or independently elected official in writing when:

- (1) Total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other source by five percent
- (2) Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.
- (3) Actual beginning fund balance, within a fund, fails to meet estimated beginning fund balance by five percent or more and fund balance is being used to fund current year expenditures."

CAUSE: The condition is a result of failure to properly monitor the revenues of the district.

Louisiana Uniform Local Sales Tax Board  
Port Allen, Louisiana

Schedule of Current and Prior Year Audit Findings  
And Management's Corrective Action Plan  
Year Ended June 30, 2019

EFFECT: The district may not prevent and/or detect compliance violations due to over expenditure of the appropriated budget, and/or errors or irregularities on a timely basis.

RECOMMENDATION: The district should periodically compare actual activity to budgeted amounts and adopt budgetary amendments as necessary to cause compliance with state statutes.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Management will properly monitor and amend the Board's revenues to ensure the Board remains within its fiscal budget.

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

None reported.

B. Compliance

None reported.

**LOUISIANA UNIFORM LOCAL SALES TAX BOARD, LOUISIANA**

Statewide Agreed-Upon Procedures Report

Fiscal period July 1, 2018 through June 30, 2019

# KOLDER, SLAVEN & COMPANY, LLC

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Louisiana Uniform Local  
Sales Tax Board, and the  
Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by Louisiana Uniform Local Sales Tax Board (Board) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### *Written Policies and Procedures*

1. We obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories:
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**, including processing, reviewing, and approving.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

### ***Board or Finance Committee***

---

- 2. We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) We observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

- b) We observed that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
- c) We obtained the prior year audit report and observed the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

### ***Bank Reconciliations***

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- 3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Selected the entity's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). Randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for selected each account, and observed that:
  - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
  - b) Bank reconciliations included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

### ***Collections***

---

- 4. Obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly selected 5 deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, obtained a listing of collection locations and management's representation that the listing is complete. Randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtained supporting documentation for each of the 10 deposits and:
- a) Observed that receipts are sequentially pre-numbered.
  - b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Traced the deposit slip total to the actual deposit per the bank statement.
  - d) Observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
  - e) Traced the actual deposit per the bank statement to the general ledger.

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

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8. Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly selected 5 locations (or all locations if less than 5).

9. For each location selected under #8 above, obtained a listing of those employees involved with non-payroll purchasing and payment functions. Obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquired of employees about their job duties), and observed that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. Randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction and:
  - a) Observed that the disbursement matched the related original invoice/billing statement.
  - b) Observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

#### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

---

11. Obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtained management's representation that the listing is complete.
12. Using the listing prepared by management, randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtained supporting documentation, and:
  - a) Observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.
  - b) Observed that finance charges and late fees were not assessed on the selected statements.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

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

---

14. Obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly selected 5 reimbursements, obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agreed the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - d) Observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

***Contracts***

---

15. Obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtained management's representation that the listing is complete. Randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observed that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

- c) If the contract was amended (e.g. change order), observed that the original contract terms provided for such an amendment.
- d) Randomly selected one payment from the fiscal period for each of the 5 contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

### ***Payroll and Personnel***

---

- 16. Obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly selected 5 employees/officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
- 17. Randomly selected one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtained attendance records and leave documentation for the pay period, and:
  - a) Observed that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
  - b) Observed that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- 18. Obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly selected two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agreed the hours to the employee/officials' cumulative leave records, and agreed the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
- 19. Obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

### ***Ethics***

---

- 20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtained ethics documentation from management, and:
  - a. Observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

- b. Observed that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

### ***Debt Service***

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21. Obtained a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Selected all bonds/notes on the listing, obtained supporting documentation, and observed that State Bond Commission approval was obtained for each bond/note issued.
22. Obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants.

### ***Other***

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23. Obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observed that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

### **Findings:**

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No exceptions were found as a result of applying procedures listed above except:

#### **Written Policies:**

The Board does not have written policies and procedures addressing budgeting, receipts, payroll/personnel, contracting, debt service, and disaster recovery/business continuity.

The Board does not have written policies and procedures addressing how vendors are added to the vendor list.

The Board does not have written policies and procedures addressing how disbursements are processed.

The Board does not have written policies and procedures addressing that all employees annually attest through signature verification that they have read the entity's ethics policy.

**Board or Finance Committee:**

The Board meeting minutes made no reference to monthly budget-to-actual comparisons.

**Bank Reconciliations:**

For 1 of 1 bank reconciliation tested, there was no evidence of it being reviewed by a member of management or board member.

**Travel and Travel-Related Expense Reimbursements:**

For 1 of 5 reimbursements tested, there was no original itemized receipt.

For 1 of 5 reimbursements tested, there was no documentation of the names of individuals participating in the meals.

For 4 of 5 reimbursements tested did not include approval in writing by someone other than the person being reimbursed.

**Payroll and Personnel:**

For 1 of 1 employee being tested, there was no documentation of daily attendance and leave taken.

For 1 of 1 employee being tested, due to no documentation of daily attendance and leave taken, we were unable to test whether supervisors approved the attendance and leave of the employee.

**Ethics:**

For 1 of 1 employee being tested, they did not complete one hour of ethics training during the year.

For 1 of 1 employee being tested, there was no signed documentation demonstrating that the employee has read the entity's ethics policy during the year.

**Other:**

It was noted that the entity does not have the fight fraud link posted on their website.

**Management's Response:**

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Management of Louisiana Uniform Local Sales Tax Board concurs with the exceptions and are working to address the deficiencies identified.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Abbeville, Louisiana  
December 19, 2019