

**Lincoln Parish Sales**  
**And Use Tax Commission**

*Financial Statements*  
*For the Year Ended June 30, 2023*



**Lincoln Parish Sales and Use Tax Commission**  
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**For the Year Ended June 30, 2023**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners  
Lincoln Parish Sales & Use Tax Commission  
Ruston, Louisiana

### Opinions

We have audited the accompanying financial statements of the governmental activities and aggregate remaining fund information of the Lincoln Parish Sales and Use Tax Commission as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

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 aggregate remaining fund information of the Lincoln Parish Sales and Use Tax Commission, as of June 30, 2023, 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.

### Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Lincoln Parish Sales and Use Tax Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lincoln Parish Sales and Use Tax Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Lincoln Parish Sales and Use Tax Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lincoln Parish Sales and Use Tax Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-7 and 21-22 be presented to supplement the basic financial statements. Such information is the responsibility and management and, 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lincoln Parish Sales & Use Tax Commission's basic financial statements. The accompanying other financial information consisting of the schedule of compensation, reimbursements, benefits and other payments to agency head on page 20 and the schedule of collections, distributions and undistributed balances on page 19 are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other information used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, reimbursements, benefits and other payments to agency head and the schedule of collections, distributions and undistributed balances are 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 18, 2023, on our consideration of the Lincoln Parish Sales & Use Tax Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Union Parish Sales & Use Tax Commission's internal control over financial reporting and compliance.

*Cameron Hines & Company (APAC)*

West Monroe, Louisiana  
December 18, 2023

**Lincoln Parish Sales And Use Tax Commission  
Management's Discussion and Analysis  
For the Year Ended June 30, 2023**

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The Management's Discussion and Analysis of the Lincoln Parish Sales And Use Tax Commission's (The Commission) financial performance presents a narrative overview and analysis of Lincoln Parish Sales And Use Tax Commission's financial activities for the year ended June 30, 2023. The document focuses on the current year's activities, resulting changes, and currently known facts within the context of the accompanying basic financial statements and disclosures. We encourage readers to consider the information presented here in conjunction with the basic financial statements.

**FINANCIAL HIGHLIGHTS**

- The assets of the Commission, on a government-wide basis, exceeded its liabilities at June 30, 2023 by \$8,113. Of this amount, \$(82) is unrestricted. Assets exceeded liabilities by \$20,059 at June 30, 2022. Of this amount, \$5,856 was unrestricted.
- The Commission's total net position decreased by \$11,946 for the fiscal year ended June 30, 2023. The Commission's total net position decreased by \$21,234 for the fiscal year ended June 30, 2022.
- The unassigned fund balance of the general fund was \$(82) at June 30, 2023, and \$5,856 at June 30, 2022, or (2.29)% and 1.95% of the total general fund expenditures, respectively.
- The general fund reported \$5,938 excess of expenditures over revenues at June 30, 2023. The general fund reported \$345 excess of expenditures over revenues at June 30, 2022.
- The Commission remitted \$65,864,565 and \$63,326,537 in taxes and interest to its member agencies for the fiscal years ended June 30, 2023, and June 30, 2022. This represents an increase of \$2,538,028 or 4.01% increase from 2022, and an increase of \$6,653,821, or 11.74% from the 2021 fiscal year, respectively.
- Operating expenses were approximately .54% and .47% of tax collections for the fiscal years ending June 30, 2023, and June 30, 2022.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following graphic illustrates the minimum requirements for Special Purpose Governments engaging in fiduciary activities, established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments.

Management's Discussion and Analysis

Basic Financial Statements

Notes to Financial Statements

**Lincoln Parish Sales And Use Tax Commission  
Management's Discussion and Analysis  
For the Year Ended June 30, 2023**

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The basic financial statements present information for the Commission as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Positions, Statement of Activities, Balance Sheet – Governmental Funds, and Statement of Fiduciary Net Position.

The notes provide additional information that is essential to a full understanding of the basic financial statements.

**GOVERNMENT-WIDE STATEMENTS**

The government-wide statements report information about the Lincoln Parish Sales & Use Tax Commission as a whole using accounting methods similar to those used by private-sector companies. The statement of position and the statement of activities, which are the government-wide statements, include all of the government's assets and liabilities using the accrual basis of accounting, similar to the accounting 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.

These two government-wide statements report the Commission's net position and how they have changed. Net Position – the difference between the Commission's assets and liabilities – are one way to measure the Commission's financial health, or financial position. Over time, increases or decreases in the Commission's net position are an indicator of whether its financial health is improving or deteriorating.

In the statement of position and the statement of activities, the Commission is reported in one category:

- Governmental activities – Most of the Commission's basic services are included here, such as the activities of the police, garbage and trash collection, park, and general administration. Franchise fees, insurance taxes, traffic fines, and payments from other governments finance most of these activities.

**FUND FINANCIAL STATEMENTS**

The format of the fund financial statements will be more familiar to traditional users of government financial statements. The fund financial statements provide more detailed information about the Commission's most significant funds – not the Commission as a whole. Funds are accounting mechanisms that the Commission uses to keep track of specific sources of funding and spending for particular purposes.

The Commission has two kinds of funds:

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

**Lincoln Parish Sales And Use Tax Commission  
Management's Discussion and Analysis  
For the Year Ended June 30, 2023**

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- Fiduciary funds – Funds collected on behalf of others. The Commission collects and remits sales and use taxes for its member agencies.

The Total Governmental Funds column requires reconciliation because of the different measurement focus from the government-wide statements (current financial resources versus total economic resources) which is reflected at the bottom of each statement. The flow of current financial resources will reflect interfund transfers as other financing sources as well as capital expenditures as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the Governmental Activities column (in the government-wide statements).

**FINANCIAL STATEMENTS ANALYSIS OF THE ENTITY**

The following are condensed financial statements of the Commission:

**Statement of Net Position**

	<b>June 30,</b>	
	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
Cash	\$ 14,111	\$ 3,219
Receivables	27,135	25,903
Capital Assets, net	8,195	14,203
<b>Total Assets</b>	<b>\$ 49,441</b>	<b>\$ 43,325</b>
<b>Liabilities And Net Position</b>		
Accounts Payable and Accrued Expenses	\$ 34,103	\$ 22,458
Internal Balances	7,225	808
<b>Total Liabilities</b>	<b>41,328</b>	<b>23,266</b>
<b>Total Net Position</b>	<b>8,113</b>	<b>20,059</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 49,441</b>	<b>\$ 43,325</b>

**Lincoln Parish Sales And Use Tax Commission  
Management's Discussion and Analysis  
For the Year Ended June 30, 2023**

**Statement of Activities**

	<b>June 30,</b>	
	<b>2023</b>	<b>2022</b>
<b>Revenues</b>		
Intergovernmental Revenues	\$ 141,829	\$ 115,724
Charges For Services	209,586	184,341
<b>Total Revenues</b>	<b>351,415</b>	<b>300,065</b>
<b>Expenses</b>		
Personnel Expenses	292,935	245,047
Professional Services	10,598	9,576
Operating Expenses	47,064	41,443
Travel	1,890	2,050
Depreciation	10,874	23,183
<b>Total Expenses</b>	<b>363,361</b>	<b>321,299</b>
<b>Changes in Net Position</b>	(11,946)	(21,234)
<b>Net Position at beginning of year</b>	20,059	41,293
<b>Net Position at end of year</b>	\$ 8,113	\$ 20,059

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

The Commission's investment in capital assets for its governmental activities as of June 30, 2023 and 2022 amounted to \$8,195 and \$14,203 and (net of depreciation). This investment includes computer equipment and furniture and fixtures. During 2023, the Commission invested \$4,866 in new computer equipment. There is no outstanding debt.

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

Sales tax collections have been fairly level for the past twelve months. Lincoln Parish is expecting this trend to continue, but we are unsure how long it will continue.

The 2023/2024 budget is \$382,795, which is an increase from 2022/2023 of \$42,995.

**CONTACTING THE COMMISSION'S MANAGEMENT**

This financial report is designed to provide a general overview of the Lincoln Parish Sales and Use Tax Commission's fiduciary activities. If you have questions about this report or need additional financial information, contact Denise Griggs, Administrator, at (318) 251-8624.

**Lincoln Parish Sales and Use Tax Commission**  
**Statement of Net Position**  
**June 30, 2023**

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<b>Assets</b>	<b>Governmental Activities</b>	<b>Total</b>
Cash and Cash Equivalents	\$ 14,111	\$ 14,111
Receivables	27,135	27,135
Capital Assets, net of Depreciation	8,195	8,195
<b>Total Assets</b>	<b>\$ 49,441</b>	<b>\$ 49,441</b>
<b>Liabilities and Net Position</b>		
<b>Liabilities</b>		
Accounts Payable and Accrued Expenses	\$ 34,103	\$ 34,103
Internal Balances	7,225	7,225
<b>Total Liabilities</b>	<b>41,328</b>	<b>41,328</b>
<b>Net Position</b>		
Invested in Capital Assets, Net of Related Debt	8,195	8,195
Unrestricted	(82)	(82)
<b>Total Net Position</b>	<b>8,113</b>	<b>8,113</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 49,441</b>	<b>\$ 49,441</b>

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

**Lincoln Parish Sales and Use Tax Commission**  
**Statement of Activities**  
**For The Year Ended June 30, 2023**

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets Primary Government	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
<b>Primary Government:</b>						
Governmental Activities:						
General Government	\$ 363,361	\$ 209,586	\$ 141,829	\$ -	\$ (11,946)	\$ (11,946)
Total Governmental Activities	\$ 363,361	\$ 209,586	\$ 141,829	\$ -	\$ (11,946)	\$ (11,946)
Total Primary Government	\$ 363,361	\$ 209,586	\$ 141,829	\$ -	\$ (11,946)	\$ (11,946)

**General Revenues:**

Interest Income	-	-
Total General Revenues	-	-
<b>Changes in Net Position</b>	(11,946)	(11,946)
Net Position - Beginning	20,059	20,059
Net Position - Ending	\$ 8,113	\$ 8,113

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

**Lincoln Parish Sales and Use Tax Commission**  
**Balance Sheet**  
**Governmental Funds**  
**For The Year Ended June 30, 2023**

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	<b>General Fund</b>	<b>Total Governmental Funds</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 14,111	\$ 14,111
Due From Taxing Bodies	27,135	27,135
<b>Total Assets</b>	<b>\$ 41,246</b>	<b>\$ 41,246</b>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts Payable and Accrued Expenses	\$ 34,103	\$ 34,103
Due To Other Funds	7,225	7,225
<b>Total Liabilities</b>	<b>41,328</b>	<b>41,328</b>
<b>Fund Balances</b>		
Unassigned	(82)	(82)
<b>Total Fund Balances</b>	<b>(82)</b>	<b>(82)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 41,246</b>	

Amounts reported for *Governmental Activities* in the statement of net assets are different because.

Capital assets used in governmental activities are not financial resources and therefore not reported in the funds

8,195

Net Assets of Governmental Activities

\$ 8,113

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

**Lincoln Parish Sales and Use Tax Commission**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For The Year Ended June 30, 2023**

	<b>General Fund</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>		
Intergovernmental	\$ 141,829	\$ 141,829
Charges for Services	209,586	209,586
Total Revenues	351,415	351,415
<b>Expenditures</b>		
<b>General Government</b>		
Personnel Services	292,935	292,935
Professional Services	10,598	10,598
Operating Expenses	47,064	47,064
Travel	1,890	1,890
Capital Expenditures	4,866	4,866
Total Expenditures	357,353	357,353
<b>Excess (Deficit) of Revenues over Expenditures</b>	<b>(5,938)</b>	<b>(5,938)</b>
<b>Fund Balances, Beginning of Year</b>	5,856	
<b>Fund Balances, End of Year</b>	<b>\$ (82)</b>	
 Net Changes in Fund Balances - Total Governmental Funds		 (5,938)
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
 Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital assets purchased capitalized		4,866
Depreciation expense		(10,874)
		(6,008)
<b>Changes in Net Assets in Governmental Activities</b>		<b>\$ (11,946)</b>

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

**Lincoln Parish Sales and Use Tax Commission**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2023**

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	<u>Custodial Funds</u>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 10,194
Due From Other Funds	7,088
<b>Total Assets</b>	<u>\$ 17,282</u>
<b>Liabilities</b>	
<b>Liabilities</b>	
Due To Taxing Bodies	\$ 7,088
Sales Tax Paid Under Protest	10,194
<b>Total Liabilities</b>	<u>17,282</u>
<b>Net Position</b>	
Restricted for:	
Member Taxing Bodies	-
<b>Total Net Position</b>	<u>\$ -</u>

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

**Lincoln Parish Sales and Use Tax Commission  
Statement of Changes in Fiduciary Net Position  
For The Year Ended June 30, 2023**

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	<b>Custodial Funds</b>
<b>Additions</b>	
Sales and use tax	\$ 65,261,038
Hotel/Motel tax	744,899
Interest received	7,225
<b>Total Additions</b>	<b>66,013,162</b>
<b>Deductions</b>	
Disbursements to Member Taxing Bodies	65,864,565
Lincoln Council on Aging	6,768
Operating Expenses	141,829
<b>Total Deductions</b>	<b>66,013,162</b>
<b>Net Increase (Decrease) in fiduciary net position</b>	-
<b>Net Position - Beginning</b>	-
<b>Net Position - Ending</b>	<b>\$ -</b>

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

**Lincoln Parish Sales And Use Tax Commission**  
**Notes to Financial Statements**  
**For The Year Ended June 30, 2023**

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

The Lincoln-Ruston Sales and Use Tax Division was created as a joint venture of the City of Ruston and Lincoln Parish School Board in 1967 to serve as an agency for the collection of sales and use taxes levied by the two authorities. In 1975, the Lincoln Parish Police Jury became a participant in the venture. In 1992, the City of Grambling and the Town of Dubach became participating agencies in this venture. The Lincoln Parish Sales and Use Tax Commission (the Commission) was then created in December 1993. The Village of Choudrant became a participant in 2003. The Lincoln Parish Fire Protection District No. 1 was added in 2009. The Lincoln Parish Sheriff's Office was added in July, 2012. The Village of Simsboro was added in July, 2018.

The Cooperative Endeavor Agreement authorizes the Commission as the single tax collector for the parish, to enter into agreements with any other public bodies located within Lincoln Parish for the collection of any sales and use taxes and hotel/motel taxes authorized by such other public bodies, beginning January 1, 1994. The operations of the Commission are under the direction of an administrator appointed by the seven participating agencies. The appointment of the administrator can be revoked by a majority vote of the six agencies. The agencies established the Commission composed of ten members, two from the City of Ruston, Lincoln Parish School Board, and Lincoln Parish Police Jury, and one member each from the City of Grambling, Town of Dubach, Village of Choudrant, and Village of Simsboro.

The Commission has the authority and is empowered to collect, enforce and administer the respectable sales and use taxes and hotel/motel taxes of the various parties to this agreement. By mutual consent, these seven authorities and the Ruston/Lincoln Convention and Visitors Bureau share in the costs of operation of the Commission and is subsequently reimbursed, on a monthly basis, by the City of Ruston, Lincoln Parish School Board, Lincoln Parish Police Jury, City of Grambling, Town of Dubach, Village of Choudrant, the Ruston/Lincoln Convention and Visitors Bureau, and the Lincoln Parish Fire Protection District No. 1 for their prorate share each. The Commission generates no revenue, but is simply a conduit for revenues of the participating agencies.

In April 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In November 1984, GASB issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for the state and local government.

The Commission adopted the provisions of GASB Statement No. 34 Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments. Statement No. 34 established standards for external reporting for all state and local governmental entities. The Commission is a special-purpose government. It is considered a joint cooperative endeavor of the participating governmental units and, therefore issues financial statements separate from the participants and their governmental components.

**Lincoln Parish Sales And Use Tax Commission**  
**Notes to Financial Statements**  
**For The Year Ended June 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**A. Fund Accounting**

The accounts of the Commission are organized on a fund basis whereby a set of self-balancing accounts comprises its assets, liabilities, additions, distributions, and other disbursements.

**B. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

**C. Cash and Cash Equivalents**

For reporting purposes, cash represents interest bearing demand deposits. Under state law, the Commission may deposit funds within a fiscal agent bank organized under the laws of any other state in the union, or the laws of the United States. Further, the Commission may invest in the deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principle offices in Louisiana.

**D. Sales and Use Taxes – Distribution of Funds**

Sales and use tax collections are distributed monthly based on the tax rates levied by each governmental body. At June 30, 2023, the following rates were in effect:

City of Ruston	2.50%
Lincoln Parish Police Jury	.75%
Lincoln Parish School Board	2.50%
City of Grambling	2.25%
City of Grambling EDD	.25%
Town of Dubach	1.00%
Village of Choudrant	1.25%
Village of Simsboro	1.25%
Lincoln Parish Fire District No. 1	.25%
Ruston/Lincoln CVB	4.00%
Lincoln Parish Sheriff's Office	.25%

**Lincoln Parish Sales And Use Tax Commission**  
**Notes to Financial Statements**  
**For The Year Ended June 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Capital Assets**

General capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets with an original cost of at least \$500 are carried at cost. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 3 to 7 years for software, computer equipment, and furniture.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

At June 30, 2023, the Commission's had cash equivalents (book balances) as follows:

Interest-bearing demand deposits	<u>\$24,305</u>
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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 holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at June 30, 2023, are secured as follows:

Bank Balances	<u>\$31,972</u>
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The bank balances at June 30, 2023, were covered by Federal Deposit Insurance (FDIC). In addition, the financial institution has pledged securities of approximately \$5,429,429 held to cover account balances in excess of \$250,000 during each month.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 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 Commission that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE 3 – OPERATING EXPENSES**

The Commission's employees are covered under the Lincoln Parish Police Jury's benefits and retirement systems. As discussed in Note 1, the participating agencies share the operating expenses of the Lincoln Parish Sales and Use Tax Commission on a pro rata basis. The operating expenses of the Commission for the 12 months ended June 30, 2023, were \$357,353, which is approximately .54% of tax collections.

**Lincoln Parish Sales And Use Tax Commission**  
**Notes to Financial Statements**  
**For The Year Ended June 30, 2023**

**NOTE 4 – CAPITAL ASSETS**

The following is a summary of changes in Capital Assets during the fiscal year in Governmental Activities:

	<u>Balance</u> <u>6/30/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2023</u>
Furniture & Fixtures	\$ 7,469	\$ -	\$ -	\$ 7,469
Computer Software & Equipment	83,201	4,866	-	88,067
Vehicles	17,745	-	-	17,745
<b>Total Fixed Assets</b>	<b>108,415</b>	<b>4,866</b>	<b>-</b>	<b>113,281</b>
Less: Accumulated Depreciation	94,212	10,874	-	105,086
<b>Net Capital Assets</b>	<b>\$ 14,203</b>	<b>\$ (6,008)</b>	<b>\$ -</b>	<b>\$ 8,195</b>

Governmental Activities depreciation for the fiscal year ended June 30, 2023, totaled \$10,874.

**NOTE 5 – SCHEDULE OF TAX COLLECTIONS AND DISTRIBUTIONS**

The following information is presented on cash basis for the fiscal year ended June 30, 2023:

<u>Taxing Authority</u> <u>and Rate (%)</u>	<u>Total</u> <u>To Be</u> <u>Distributed</u>	<u>Collection</u> <u>Costs</u>	<u>Final</u> <u>Distribution</u>
City of Ruston (2.50%)	\$ 22,998,650	\$ 49,399	\$ 22,949,251
Lincoln Parish Police Jury (.75%)	8,612,539	18,438	8,594,101
Lincoln Parish School Board (2.5%)	28,614,141	61,327	28,552,814
Lincoln Parish Sheriff's Office (.25%)	2,852,667	6,146	2,846,521
City of Grambling (2.50%)	896,328	2,044	894,284
Town of Dubach (1.0%)	145,421	331	145,090
Village of Choudrant (1.25%)	383,737	811	382,926
Village of Simsboro (1.25%)	118,801	248	118,553
Lincoln Parish Fire District No. 1 (.25%)	640,937	1,350	639,587
Ruston/Lincoln Convention & Visitors Bureau (4.0%)	743,173	1,735	741,438
<b>Totals</b>	<b>\$ 66,006,394</b>	<b>\$ 141,829</b>	<b>\$ 65,864,565</b>

**Lincoln Parish Sales And Use Tax Commission**  
**Notes to Financial Statements**  
**For The Year Ended June 30, 2023**

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**NOTE 6 – COMMITMENTS AND CONTINGENCIES**

The Commission from time to time is involved in disputes and litigation with taxpayers over the taxability of certain items. When taxes are paid under protest, the disputed funds are deposited in a separate bank account until the dispute is resolved. At June 30, 2023, the Commission held \$10,194 in protested tax remittances.

**NOTE 7 – COLLECTION SERVICES FOR OTHER PARISHES**

The Commission signed a tax collection agreement with Union Parish in November, 2010, and began collecting sales and use taxes in January, 2011. LPSUTC will receive a fee of 1% of collections for the calendar years 2012 thru 2023. Total fees collected during the fiscal year ended June 30, 2023, was \$209,586.

**NOTE 8 – SUBSEQUENT EVENTS**

Date of Management Evaluation

Management has evaluated subsequent events through December 18, 2023, the date on which the financial statements were available to be issued.

**Lincoln Parish Sales and Use Tax Commission**  
**Schedule of Collections, Distributions, and Undistributed Balances**  
**Fiduciary Funds**  
**For The Year Ended June 30, 2023**

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**Collections:**

Sales and use tax	\$ 65,261,038
Hotel/Motel tax	744,899
Interest received	7,225
<b>Total Collections</b>	<b>66,013,162</b>

**Distributions:**

City of Ruston	22,949,251
Lincoln Parish Police Jury	8,594,101
Lincoln Parish School Board	28,552,814
Lincoln Parish Sheriff	2,846,521
City of Grambling	894,284
Town of Dubach	145,090
Village of Choudrant	382,926
Village of Simsboro	118,553
Lincoln Parish Fire District No. 1	639,587
Ruston/Lincoln Convention & Visitors Bureau	741,438
Lincoln Council on Aging	6,768
Operating Expenses	141,829
<b>Total Distributions</b>	<b>66,013,162</b>

**Collections Less Distributions** -

**Undistributed balances at beginning of year** 603,496

Taxes Paid Under Protest	19,190
Protest Balances Settled and Disbursed	(612,492)

**Undistributed balances at end of year** \$ 10,194

See independent auditors' report.

**Lincoln Parish Sales and Use Tax Commission**  
**Schedule of Compensation, Reimbursements, Benefits, and Other Payments to**  
**Agency Head**  
**For The Year Ended June 30, 2023**

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Schedule 2

Agency Head: Administrator Denise  
Griggs

**Purpose:**

Salary	\$ 76,875
Benefits - Payroll Taxes, Insurance, Retirement	21,230
Reimbursements	-
<b>Total Compensation, Benefits and Other Payments</b>	<b><u>\$ 98,105</u></b>

See independent auditors' report.

**Lincoln Parish Sales and Use Tax Commission**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For The Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final	GAAP Basis	Favorable (Unfavorable)
<b>Revenues</b>				
Intergovernmental	\$ 217,795	\$ 217,795	\$ 141,829	\$ (75,966)
Charges For Services	165,000	165,000	209,586	44,586
Total Revenues	382,795	382,795	351,415	(31,380)
<b>Expenditures</b>				
<b>General Government</b>				
Personnel Services	287,195	287,195	292,935	(5,740)
Professional Services	22,000	22,000	10,598	11,402
Operating Expenses	69,100	69,100	47,064	22,036
Travel	4,500	4,500	1,890	2,610
Capital Expenditures	-	-	4,866	(4,866)
Total Expenditures	382,795	382,795	357,353	25,442
<b>Excess (Deficit) of Revenues over Expenditures</b>	-	-	(5,938)	(5,938)
<b>Fund Balances, Beginning of Year</b>	5,856	5,856	5,856	-
<b>Fund Balances, End of Year</b>	\$ 5,856	\$ 5,856	\$ (82)	\$ (5,938)

See independent auditors' report.

**Lincoln Parish Sales & Use Tax Commission**  
**Notes to Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2023**

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The Commission annually adopts a budget for the General Fund. All appropriations are legally controlled at the board level for the General Fund. On May 17, 2022, the District approved the original adopted budget reflected in the financial statements. One amendment was made for the year.

The budgets are integrated into the accounting system, and the budgetary data, as presented in the financial statements for all funds with annual budgets, compare the expenditures with the amended budgets. All budgets are presented on the modified accrual basis of accounting. Accordingly, the accompanying Budgetary Comparison Schedule for the General Fund presents actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. Unexpected appropriations on annual budgets lapse at the end of each fiscal year.

# CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

*Certified Public Accountants*

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

Board of Commissioners  
Lincoln Parish Sales and Use Tax Commission  
Ruston, 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 aggregate remaining fund information, of the Lincoln Parish Sales and Use Tax Commission, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Lincoln Parish Sales and Use Tax Commission's basic financial statements, and have issued our report thereon dated December 18, 2023.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Lincoln Parish Sales and Use Tax Commission'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 Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lincoln Parish Sales and Use Tax Commission'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 Lincoln Parish Sales and Use Tax Commission'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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* as item 23-01.

### **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.

West Monroe, Louisiana  
December 18, 2023

*Cameron Hines & Company (APAC)*



**Lincoln Parish Sales & Use Tax Commission  
Schedule of Findings and Responses  
For The Year Ended June 30, 2023**

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**Section II - Financial Statement Findings**

**23-01 Budget Authority and Control**

**Condition:**

It was noted that actual revenues on the general fund were below the total budgeted revenues by more than five percent.

**Criteria:**

Under Louisiana law, statute 39:1311 requires that the budget must be amended when actual revenues and other sources, within a fund, is below budgeted revenues and other sources by more than five percent.

**Effect:**

The Commission is not in compliance with the state budget law.

**Recommendation:**

The Commission should monitor its revenues and expenditures and amend the budget before year end.

**Response:**

The Commission will continue to monitor the actual revenues, and expenditures, closer as they relate to the adopted budgets and adopts amendments to the original budget when it becomes necessary.

**Section III - Federal Award Findings and Responses**

This section is not applicable for this entity.

**Lincoln Parish Sales & Use Tax Commission**  
**Schedule of Prior Year Findings**  
**For the Year Ended June 30, 2023**

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**Internal Control and Compliance Material to the Financial Statements**

There were no findings for the fiscal year ended June 30, 2022.

**Management Letter**

No management letter was issued.

**Lincoln Parish Sales & Use Tax Commission  
Management's Corrective Action Plan  
For The Year Ended June 30, 2023**

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**Section II - Financial Statement Findings**

**23-01 Budget Authority and Control**

**Condition:**

It was noted that actual revenues on the general fund were below the total budgeted revenues by more than five percent.

**Recommendation:**

The Commission should monitor its revenues and expenditures and amend the budget before year end.

**Response:**

The Commission will continue to monitor the actual revenues, and expenditures, closer as they relate to the adopted budgets and adopts amendments to the original budget when it becomes necessary.

**LINCOLN PARISH SALES AND**  
**USE TAX COMMISSION**

*Independent Accountants' Report on  
Applying Agreed-Upon Procedures*

*For the Year Ended June 30, 2023*



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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Lincoln Parish Sales and Use Tax Commission  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022, through June 30, 2023. The Lincoln Parish Sales and Use Tax Commission's management is responsible for those C/C areas identified in the SAUPs.

The Lincoln Parish Sales and Use Tax Commission (the Commission) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022, through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### 1) *Written Policies and Procedures*

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:<sup>1</sup>
  - i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - ii. ***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.
  - iii. ***Disbursements***, including processing, reviewing, and approving.
  - iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the

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<sup>1</sup> For governmental organizations, the practitioner may eliminate those categories and subcategories not applicable to the organization's operations. For quasi-public organizations, including nonprofits, the practitioner may eliminate those categories and subcategories not applicable to public funds administered by the quasi-public.

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).

- v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. ***Credit Cards (and debit cards, fuel cards, purchase 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).
- ix. ***Ethics***<sup>2</sup>, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. ***Information Technology 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.
- xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Findings:** No exceptions noted.

## **2) Board or Finance Committee**<sup>3</sup>

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- A. Obtain and inspect 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

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<sup>2</sup> The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the nonprofit should have written policies and procedures relating to ethics.

<sup>3</sup> These procedures are not applicable to entities managed by a single elected official, such as a sheriff or assessor.

- i. Observe 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.
- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds<sup>4</sup>, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds<sup>5</sup> if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned 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 unassigned fund balance in the general fund.
- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.<sup>6</sup>

**Findings:** No exceptions noted.

### 3) *Bank Reconciliations*

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- A. Obtain a listing of entity 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. Select the entity's main operating account and randomly select 4 additional accounts<sup>7</sup> (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
  - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
  - ii. Bank reconciliations include written evidence that a member of management or a 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
  - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

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<sup>4</sup>Proprietary fund types are defined under GASB standards and include enterprise and internal service funds. The related procedure addresses these funds as a way to verify that boards are provided with financial information necessary to make informed decisions about entity operations, including proprietary operations that are not required to be budgeted under the Local Government Budget Act.

<sup>5</sup> R.S. 24:513 (A)(1)(b)(iv) defines public funds.

<sup>6</sup> No exception is necessary if management's opinion is that the cost of taking corrective action for findings related to improper segregation of duties or inadequate design of controls over the preparation of the financial statements being audited exceeds the benefits of correcting those findings.

<sup>7</sup> Accounts selected may exclude savings and investment accounts that are not part of the entity's daily business operations.

**Findings:** No exceptions noted.

**4) Collections (excluding electronic funds transfers)<sup>8</sup>**

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- A. Obtain a listing of deposit sites<sup>9</sup> for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations<sup>10</sup> and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
  - i. Employees responsible for cash collections do not share cash drawers/registers;
  - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
  - iii. Each employee responsible for collecting cash is not also 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; and
  - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, 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.* Obtain supporting documentation for each of the 10 deposits and:
  - i. Observe that receipts are sequentially pre-numbered.<sup>11</sup>
  - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

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<sup>8</sup> The Collections category is not required to be performed if the entity has a third-party contractor performing all collection functions (e.g., receiving collections, preparing deposits, and making deposits).

<sup>9</sup> A deposit site is a physical location where a deposit is prepared and reconciled.

<sup>10</sup> A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit. For example, in a school district a collection location may be a classroom and a deposit site may be the school office. For school boards only, the practitioner should consider the deposit site and collection location to be the same if there is a central person (secretary or bookkeeper) through which collections are deposited.

<sup>11</sup> The practitioner is not required to test for completeness of revenues relative to classroom collections by teachers.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. Observe that the deposit was made within one business day of receipt<sup>12</sup> 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 and the cash is stored securely in a locked safe or drawer).
- v. Trace the actual deposit per the bank statement to the general ledger.

**Findings:** One exception noted where a deposit was not made within one business day of receipt at the collection location.

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

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- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
  - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
  - ii. At least two employees are involved in processing and approving payments to vendors;
  - iii. 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;
  - iv. 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; and
  - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

*[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]*

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
  - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

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<sup>12</sup> As required by Louisiana Revised Statute 39:1212.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

**Findings:** No exceptions noted.

#### ***6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)***

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- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards<sup>13</sup>. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
  - i. Observe whether 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) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
  - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection)<sup>14</sup>. For each transaction, observe 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). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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<sup>13</sup> Including cards used by school staff for either school operations or student activity fund operations.

<sup>14</sup> For example, if 3 of the 5 cards selected were fuel cards, transactions would only be selected for each of the 2 credit cards. Conceivably, if all 5 cards randomly selected under procedure #7B were fuel cards, procedure #7C would not be applicable.

**Findings:** One exception noted where there was no evidence that the statement and supporting documentation was reviewed and approved by someone other than the cardholder.

#### **7) *Travel and Travel-Related Expense Reimbursements<sup>15</sup> (excluding card transactions)***

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- A. Obtain 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 select 5 reimbursements and obtain 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
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov));
  - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
  - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
  - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Findings:** No exceptions noted.

#### **8) *Contracts***

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- A. Obtain 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. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law<sup>16</sup> (e.g., solicited quotes or bids, advertised), if required by law;
  - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
  - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the

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<sup>15</sup> Non-travel reimbursements are not required to be inspected under this category.

<sup>16</sup> If the entity has adopted the state Procurement Code, replace “Louisiana Public Bid Law” with “Louisiana Procurement Code.”

contract terms (e.g., if approval is required for any amendment, the documented approval); and

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

**Findings:** No exceptions noted.

### ***9) Payroll and Personnel***

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- A. Obtain a listing of employees and officials<sup>17</sup> employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
  - i. Observe that all selected employees or officials<sup>18</sup> documented their daily attendance and leave (e.g., vacation, sick, compensatory);
  - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
  - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
  - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

**Findings:** All work for the Commission is performed by employees of the Lincoln Parish Police Jury. These procedures are not applicable.

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<sup>17</sup> "Officials" would include those elected, as well as board members who are appointed.

<sup>18</sup> Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.

## 10) *Ethics*<sup>19</sup>

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
  - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
  - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

**Findings:** All work for the Commission is performed by employees of the Lincoln Parish Police Jury. These procedures are not applicable.

## 11) *Debt Service*<sup>20</sup>

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- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

**Findings:** The Commission has no debt. These procedures are not applicable.

## 12) *Fraud Notice*<sup>21</sup>

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- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

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<sup>19</sup> The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the procedures should be performed.

<sup>20</sup> This AUP category is generally not applicable to nonprofit entities. However, if applicable, the procedures should be performed.

<sup>21</sup> Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs and the notice is available for download at [www.la.gov/hotline](http://www.la.gov/hotline)

- B. Observe 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:** No exceptions noted.

### ***13) Information Technology Disaster Recovery/Business Continuity***

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- A. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**
  - i. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
  - ii. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
  - iii. Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

**Findings:** We performed the procedure and discussed the results with management.

### ***14) Prevention of Sexual Harassment<sup>22</sup>***

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

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<sup>22</sup> While it appears to be a good practice for charter schools to ensure it has policies and training for sexual harassment, charter schools do not appear required to comply with the Prevention of Sexual Harassment Law (R.S. 42:341 et seq). An individual charter school, through the specific provisions of its charter, may mandate sexual harassment training.

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
  - ii. Number of sexual harassment complaints received by the agency;
  - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
  - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - v. Amount of time it took to resolve each complaint.

**Findings:** All work for the Commission is performed by employees of the Lincoln Parish Police Jury. These procedures are not applicable.

### ***Management's Response***

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We agree with the results of the procedures and will address the identified exceptions.

We were engaged by the Commission to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, 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.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended 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.

*Cameron Hines & Company (APAC)*

West Monroe, Louisiana  
December 27, 2023