

**Sabine Parish Sales and Use Tax Commission**

**FINANCIAL REPORT**

**YEAR ENDED DECEMBER 31, 2016**



The CPA. Never Underestimate The Value.<sup>SM</sup>

**Eugene W. Fremaux II**

---

Certified Public Accountant

**SABINE PARISH SALES AND USE TAX COMMISSION**  
**MANY, LOUISIANA**  
**DECEMBER 31, 2016**

**TABLE OF CONTENTS**

INDEPENDENT AUDITOR'S REPORT .....	1
MANAGEMENT'S DISCUSSION AND ANALYSIS .....	3
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES .....	5
NOTES TO FINANCIAL STATEMENTS.....	6
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 .....	10
SCHEDULE OF FINDINGS.....	12
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD.....	16

**Eugene W. Fremaux II**

Certified Public Accountant

P. O. Box 134 270 Marthaville Road

Many, Louisiana 71449

318-256-0332

FAX 318-256-0389

[fremaux@bellsouth.net](mailto:fremaux@bellsouth.net)

## INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners  
Sabine Parish Sales and  
Use Tax Commission  
Many, Louisiana

We have audited the accompanying financial statements of the governmental activities of the Sabine Parish Sales and Use Tax Commission, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Commission'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 of the Sabine Parish Sales and Use Tax Commission as of December 31, 2016, 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.



The CPA. Never Underestimate The Value.<sup>SM</sup>

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 4 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 supplemental 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 Sabine Parish Sales and Use Tax Commission's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. 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 information directly to the underlying accounting records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 a report dated June 19, 2017 on our consideration of Sabine Parish Sales and Use Tax Commission's internal control over financial reporting and our tests on its compliance with certain provision of laws, regulations, contracts 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 Commission's internal control over financial reporting and compliance.



EUGENE W. FREMAUX II, CPA  
June 19, 2017

SABINE PARISH SALES AND USE TAX COMMISSION  
MANY, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016

This section of the Commission's annual financial report presents our discussion and analysis of the Commission's financial performance during the fiscal year ended December 31, 2016. Please read it in conjunction with the transmittal letter at the front of this report and the Commission's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

The Commission's tax collections in 2016 decreased by \$642,225 to \$117,788,763, from collections in 2015.

Total current assets decreased by \$240,130 to \$797,457 during 2016, due primarily to settlement of several suits where taxes were paid under protest.

**OVERVIEW OF FINANCIAL STATEMENTS**

This annual report consists of three parts:

- Management's discussion and analysis
- Basic financial statements
- Supplementary information

The basic financial statements include all of the funds of the Commission. All of the funds of the Commission can be grouped into one category, fiduciary funds, which are used to account for resources, held for the benefit of outside parties, such as other governments. The Commission used its fund to account for sales and occupancy taxes, which it collects for Sabine Parish governments.

**FINANCIAL ANALYSIS OF THE COMMISSION AS A WHOLE**

CONDENSED STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

	2016	2015
Total current assets	<u>\$ 797,457</u>	<u>\$ 1,037,587</u>
Accounts payable	12,479	14,106
Taxes due others	571,930	916,495
Due taxing agencies	213,048	106,986
Total liabilities	<u>\$ 797,457</u>	<u>\$ 1,037,587</u>

SABINE PARISH SALES AND USE TAX COMMISSION  
MANY, LOUISIANA  
MANAGEMENT'S DISCUSSION  
AND ANALYSIS  
DECEMBER 31, 2016

Changes in Due to Taxing Bodies

	2016	2015
Taxes Collected	<u>\$ 17,788,763</u>	<u>\$ 18,430,988</u>
Distributions:		
School Board	\$ 8,064,167	\$ 8,460,825
Police Jury	3,220,652	3,384,228
Town of Many	1,256,503	1,276,157
Town of Zwolle	755,204	737,658
Village of Converse	46,032	50,874
Village of Florien	198,204	213,745
Village of Pleasant Hill	36,767	37,381
Sabine Parish Law District	2,415,570	2,538,177
Sabine Parish Tourist Commission	158,106	165,509
District Attorney	405,275	426,015
Sabine Council on Aging	792,992	846,007
Commission operating expenses	<u>333,229</u>	<u>283,331</u>
Total Distributions and Expenses	<u>17,682,701</u>	<u>18,419,907</u>
Increase (decrease) in due to taxing bodies	<u>\$ 106,062</u>	<u>\$ 11,081</u>

The Commission's operating expenses in 2016 comprised 1.9% of the taxes collected. The increase in operating expenses in 2016 relates primarily to increased personnel, equipment and occupancy costs.

**ECONOMIC FACTORS**

The Commission has no current knowledge of any economic conditions that could have significant adverse affects on sales tax collections or operating expenses during 2017.

**CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Commission's finances and to demonstrate the Commission's accountability for the money it receives. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Georgia Jett, Chairman, 670 San Antonio Avenue, Many, LA 71449.

SABINE PARISH SALES AND USE TAX COMMISSION  
MANY, LOUISIANA  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
DECEMBER 31, 2016

ASSETS

Cash	\$ 224,838
Cash-restricted	571,930
Prepaid expenses	<u>689</u>
Total assets	<u>\$ 797,457</u>

LIABILITIES

Accounts payable	\$ 12,479
Taxes due others	571,930
Due taxing agencies	<u>213,048</u>
Total liabilities	<u>\$ 797,457</u>

SABINE PARISH SALES AND USE TAX COMMISSION  
MANY, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

(1) Introduction

The Sabine Parish Sales and Use Tax Commission (Commission), Many, Louisiana, was created on June 30, 1992 by the political subdivisions within Sabine Parish for the joint collection, enforcement, and administration of the sales and use taxes levied by these subdivisions. The Commission is managed by a Board of Commissioners composed of: two members appointed by the Sabine Parish Police Jury, two members appointed by the Sabine Parish School Board, one member appointed by the Town of Many, one member appointed by the Village of Zwolle, one member appointed by the Village of Florien, one member appointed by the Village of Pleasant Hill, and one member selected jointly by the police jury and the school board in accordance with Louisiana Revised Statute 47:337.14C(1).

The costs of establishing and operating the Commission are shared jointly by the taxing bodies on a pro-rata basis based on the ratio that the taxes collected for each bears to the total taxes collected.

(2) Summary of significant accounting policies

Reporting entity

For financial reporting purposes, the Commission includes all funds that are within the oversight responsibility of the Commission.

Basis of presentation

Fiduciary Fund Type

*Fiduciary Fund* - This fund is used to account for assets held by the Commission in a trustee capacity or as an agent for the taxing authorities.

Basis of accounting

The accounting and reporting policies of the Commission conform with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements constitutes GAAP for governmental entities. The accounting and reporting policies of the Commission conform to the requirements of Louisiana Revised Statutes 24:517 and to the guidance set forth in the Louisiana Governmental Audit Guide.



SABINE PARISH SALES AND USE TAX COMMISSION  
MANY, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

(2) Litigation and claims

The Commission is involved in litigation at December 31, 2016, involving taxpayer collection efforts, taxpayer refund requests that have been denied, and protested tax payments. At December 31, 2016 there were suits pending involving taxes paid under protest, amounting to \$550,707, which funds have been placed in an escrow account, and an offsetting liability recorded in taxes due others. In addition, the Commission has received refund requests, where lawsuits have been filed or litigation is expected, for taxes remitted without being paid under protest, and distributed to the respective taxing authorities, totaling \$2,179,775. These refund requests have been denied and are presently in dispute.

(3) Compensated absences

All employees earn 5 - 20 days of annual vacation leave per year depending on length of service with the Commission. Such leave is credited on a pro rata basis at the end of each payroll reporting period and accumulates. No more than 10 days can be carried forward to the next year. Annual leave is paid upon termination of employment.

(4) Personnel costs

The Commission's employees are paid by the Sabine Parish Police Jury (Jury) and the Jury is reimbursed by the Commission for the related payroll costs, including fringe benefits.

(5) Compensation of commissioners

The commissioners' compensation or per diem during the year ended December 31, 2016 as follows:

SABINE PARISH SALES AND USE TAX COMMISSION  
MANY, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

Bobby Williams	\$ 350
Glenn Arnold	350
Georgia Jett	2,600
Kenneth Ebarb	250
Gloria Ruffin	300
Donald Remedies	250
G. J. Martinez	250
Daron Chandler	350
Gay Corley	950

(6) Risk Management

The Commission is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the commission maintains commercial insurance policies covering; automobile liability, medical payments, uninsured motorist, and collision; business liability; property coverage; and surety bond coverage. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts

(7) Changes in Agency Fund Deposits due Others

A summary of changes in agency fund deposits due others for 2016 follows:

SABINE PARISH SALES AND USE TAX COMMISSION  
MANY, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

Balance, beginning of year						<u>\$ 106,986</u>
	Sales		Collection		Audit	
	Tax Rate	Collections	Fees	Fees	Distributions	
School Board	2.000%	\$ 8,277,272	\$ 153,021	\$ 60,084	\$ 8,064,167	
Police Jury	1.000%	3,305,880	56,693	28,535	3,220,652	
Town of Many	1.000%	1,280,405	21,995	1,907	1,256,503	
Town of Zwolle	2.000%	768,607	13,403	-	755,204	
Village of Converse	1.000%	46,903	811	60	46,032	
Village of Florien	1.000%	201,839	3,635	-	198,204	
Village of Pleasant Hill	1.000%	37,435	668	-	36,767	
Sabine Parish Law District	0.750%	2,479,492	42,521	21,401	2,415,570	
Sabine Parish Tourist Commission	3.000%	160,686	2,580	-	158,106	
District Attorney	0.125%	416,207	7,134	3,798	405,275	
Sabine Council on Aging	0.250%	814,037	14,143	6,902	792,992	
		<u>\$ 17,788,763</u>	<u>\$ 316,604</u>	<u>\$ 122,687</u>	<u>\$ 17,349,472</u>	439,291
Commission operating expenses						<u>(333,229)</u>
Balance, end of year						<u>\$ 213,048</u>

(8) Cash

Louisiana Revised Statutes authorize the Commission to invest in United States bonds, treasury notes or certificates, time certificates of deposit, or any other federally insured investment.

*Custodial Credit Risk* – Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Cash consists of both non-interest and interest bearing bank accounts with area financial institutions. At year end, non-interest bearing demand deposit accounts at the bank were insured in full by the Federal Deposit Insurance Corporation (FDIC). Interest bearing accounts, amounting to \$796,768, were insured by the FDIC up to \$250,000 per institution. Banks are required by R.S. 49:321 to pledge security for deposits in excess of FDIC coverage. There was \$1,290,865 of pledged securities available to cover the deposit amount in excess of the FDIC insurance amount at December 31, 2016. Louisiana revised statutes requires the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Commission that the pledging bank has failed to pay deposited funds upon demand. At December 31, 2016, the Commission was not exposed to custodial credit risk.

Cash at year end in the amount of \$571,768 is restricted for taxes paid under protest and certain amounts awaiting review and processing.

## Eugene W. Fremaux II

Certified Public Accountant

P. O. Box 134 270 Marthaville Road

Many, Louisiana 71449

318-256-0332

FAX 318-256-0389

[fremauxc@bellsouth.net](mailto:fremauxc@bellsouth.net)

### 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*

The Board of Commissioners  
Sabine Parish Sales and  
Use Tax Commission  
Many, 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 of Sabine Parish Sales and Use Tax Commission Sabine Parish Sales and Use Tax Commission, Many, Louisiana, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated June 17, 2017.

#### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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 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 Commission's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of



The CPA. Never Underestimate The Value.<sup>SM</sup>

my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission'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 Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Eugene W. Fremaux II". The signature is written in a cursive style with some flourishes.

EUGENE W. FREMAUX II, CPA  
June 17, 2017

SABINE PARISH SALES AND USE TAX COMMISSION  
SCHEDULE OF FINDINGS  
DECEMBER 31, 2016

**Current year**

None

**Prior year**

**2015-01 Compliance with Check Signing Policy**

*Criteria:* Commission Policy C-200 requires that “All checks drawn on the accounts of the Commission shall carry the signatures of the Administrator and the Chairman when exceeding \$1,000 and all checks issued to employees and members of the Commission.”

*Condition:* Beginning in June 2015, we noted that some checks over \$1,000, and some checks to employees and Board members, were signed by two authorized employees, however they were not signed by the Administrator and the Chairman as required by policy.

*Cause:* On June 8, 2015 the Administrator resigned with short notice. The Deputy Administrator, who had only been on the job five months, had to take over the Administrator duties on a temporary basis until the Commission could hire another Administrator in July 2015.

*Recommendation:* All new employees and Board members should be required to read the Commission’s policy manual upon assuming their duties.

*Disposition:* No exceptions noted after this issue was discussed with management in June of 2016.

**2015-02 Disbursement Procedures for Outside Audits of Taxpayers**

*Criteria:* Established Commission procedure is to deposit the taxpayer check in the operating account, and write two checks from the operating account, one to the auditing firm for their fee, and another to deposit into the sales tax receipt account for the amount to be disbursed to the taxing authorities.

*Condition:* Beginning in June 2015, disbursement of outside audits (7) during the remainder of the year were not properly disbursed as the total funds received from the taxpayer were disbursed to the taxing authorities without deduction for audit fees of \$27,992, which resulted in additional operating expenses for the Commission. In addition, on one audit

SABINE PARISH SALES AND USE TAX COMMISSION  
SCHEDULE OF FINDINGS  
DECEMBER 31, 2016

finalized in July 2015 the Commission did not waive the penalty of \$11,038 and the taxpayer did not remit the penalty.

*Cause:* On June 8, 2015 the Administrator resigned with short notice. The Deputy Administrator, who had only been on the job five months, had to take over the Administrator duties on a temporary basis until the Commission could hire another Administrator in July 2015 and was not aware of the proper procedure for disbursement of these funds. There was no written guidance to follow.

*Recommendation:* The Commission should prepare written procedures for the staff to follow on the final disposition of all outside audits.

*Management's Response and Disposition:* Proper written procedures have been prepared for the staff to follow on the final disposition of all outside audits. The \$27,992 incorrect distribution was corrected in June 2016. The taxpayer was contacted to remit the penalty of \$11,038 and the penalty was received in 2016. No exception noted on disposition of audit proceeds in 2016.

**2015-03 Compliance with Payroll Procedures**

*Criteria:* The Commission's payroll is processed by the Sabine Parish Policy Jury and the Commission reimburses the Police Jury for related payroll liabilities.

*Condition:* During the period from August through December 2015, the Deputy Administrator was paid for vacation and overtime hours from the Commission's operating account in the amount of \$1,837.37, with no withholding for payroll taxes and benefits. In addition, 64 vacation hours were paid when only 40 hours were due, and incorrect pay rates were used for all the payments. As a result, personnel expenses were overstated by \$488.71, less the impact of payroll taxes of \$103.17. In addition, the monthly reimbursement billing from the Police Jury does not include enough detail to determine hours and pay rates processed for the month by employee. Also vacation hours in 2015 were not taken in accordance with Policy B-100 which states that "...eligible employees are required to take a least 5 consecutive business days at one time".

*Cause:* No one involved with these payments realized that these payments should have been made through the Police Jury payroll system, or checked to be sure that the hours and rates used were correct.

*Recommendation:* The hours should be reported to the Police Jury and included in normal payroll processing, with a related deduction for the \$1,837.37 incorrect payments. In addition, the Police Jury should be requested to include additional details of hours and rates

SABINE PARISH SALES AND USE TAX COMMISSION  
SCHEDULE OF FINDINGS  
DECEMBER 31, 2016

with the monthly reimbursement billing. The requirement to take vacation time for at least 5 consecutive days should be monitored and followed.

*Management's Response:* The hours and related deduction will be included in the last payroll for June 2016. The staff has been made aware that all payroll must go through the Police Jury payroll processing. The Police Jury has been requested to furnish additional details with the reimbursement billing. Beginning in late June 2016, weekly time sheets will be reviewed and approved by the Chairman.

*Disposition:* Resolved.

**2015-04 Bank Reconciliation Procedures**

*Criteria:* The Commission's bank accounts should be reconciled and reviewed on a monthly basis.

*Condition:* A review of the December 2015 operating bank account reconciliation disclosed an outstanding deposit of \$24,805.92 from July 23, 2015, which was the result of an error in a transfer check from the receipt account that was charged back by the bank because it had only one signature instead of the required two signatures. When the check was redeposited, it was deposited into the receipts account in error.

Bank reconciliations are performed by the Deputy Administrator, who also records transactions in Quickbooks, can sign checks, and make deposits. Because of this concentration of duties, the bank reconciliations should be reviewed by the Administrator or Chairman. A review of the bank reconciliation by the Administrator or Chairman should have caught this error.

*Cause:* The bank reconciliations were not reviewed by the Administrator or the Chairman.

*Recommendation:* The bank reconciliations should be reviewed by the Administrator and the Chairman, and such review documented in writing.

*Management's Response:* Beginning in July 2016 bank reconciliations will be reviewed and documented in writing by the Administrator and Chairman.

*Disposition:* Resolved.



SABINE PARISH SALES AND USE TAX COMMISSION  
SCHEDULE OF FINDINGS  
DECEMBER 31, 2016

**2015-05 Monthly Reporting to Taxing Authorities**

*Criteria:* The Commission prepares monthly statements summarizing collections and distributions to taxing authorities, and operating expenses.

*Condition:* At least four monthly reports during 2015 contained incorrect distribution amounts for the Sabine Tourist Commission.

*Cause:* The distribution information on the monthly reports is derived from the sales tax processing system. The Commission staff had numerous issues with the monthly totals produced by the system during the year, which was attributed to software issues. The monthly distribution totals were not being checked against the actual deposits made to the taxing authorities' accounts.

*Recommendation:* The distribution amounts produced by the tax processing system should be cross checked to the actual authority deposits, before releasing the monthly reports, to be sure the totals are correct.

*Management's Response:* Beginning in May 2016, the tax processing software was replaced with software from another vendor, and monthly distribution totals are being cross checked with actual amounts deposited in the taxing authorities accounts.

*Disposition:* Resolved

SABINE PARISH SALES AND USE TAX COMMISSION  
MANY, LOUISIANA  
OTHER SUPPLEMENTARY INFORMATION  
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO  
AGENCY HEAD  
YEAR ENDED DECEMBER 31, 2016

Agency Head: Georgia Jett

<u>Purpose</u>	<u>Amount</u>
Per diem	\$2,600