

**Lincoln Parish Sales And Use Tax Commission**

**Financial Statements**  
**For the Year Ended June 30, 2017**



**Lincoln Parish Sales and Use Tax Commission**  
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**For the Year Ended June 30, 2017**

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying 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, 2017, 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.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 opinion.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the aggregate remaining fund information of the Lincoln Parish Sales and Use Tax Commission, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-6 and 20-21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lincoln Parish Sales and 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 19 is presented for the purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement 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 other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

## **Other Reporting Required by Government Auditing Standard's**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2017, on our consideration of Lincoln Parish Sales and 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 Lincoln Parish Sales and Use Tax Commission's internal control over financial reporting and compliance.

*Cameron, Hines & Company (APAC)*

West Monroe, Louisiana  
December 8, 2017

**Lincoln Parish Sales And Use Tax Commission  
Management's Discussion and Analysis  
For the Year Ended June 30, 2017**

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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, 2017. 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, 2017 by \$21,491. Of this amount, \$1,124 is unrestricted. Assets exceeded liabilities by \$24,140 at June 30, 2016. Of this amount, \$1,124 was unrestricted.
- The Commission's total net position decreased by \$2,649 for the fiscal year ended June 30, 2017. The Commission's total net position increased by \$2,727 for the fiscal year ended June 30, 2016.
- The unassigned fund balance of the general fund was \$1,124 at June 30, 2017 and 2016 or .39% and .47% of the total general fund expenditures, respectively.
- The general fund reported \$-0- deficit of revenues over expenditures at June 30, 2017. The general fund reported \$122 deficit of revenues over expenditures at June 30, 2016.
- The Commission remitted \$45,230,086 and \$47,773,133 in taxes and interest to its member agencies for the fiscal years ended June 30, 2017 and 2016. This represents a decrease of \$2,543,047 or 5.32% increase from 2016, and an increase of \$5,206,274, or 12.23% from the 2015 fiscal year, respectively.
- Operating expenses were approximately .64% and .51% of tax collections for the fiscal years ending June 30, 2017 and 2016.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following graphic illustrates the minimum requirements for Special purpose Governments engages 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, 2017**

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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

**Lincoln Parish Sales And Use Tax Commission  
Management's Discussion and Analysis  
For the Year Ended June 30, 2017**

subsequent page that explains the relationship (or differences) between the government-wide and fund statements.

- 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>2017</b>	<b>2016</b>
<b>Assets</b>		
Cash	\$ 8,973	\$ 3,457
Receivables	28,577	18,751
Capital Assets, net	20,367	23,016
<b>Total Assets</b>	<b>\$ 57,917</b>	<b>\$ 45,224</b>
<b>Liabilities And Net Position</b>		
Accounts Payable and Accrued Expenses	\$ 28,423	\$ 18,951
Internal Balances	8,003	2,133
<b>Total Liabilities</b>	<b>36,426</b>	<b>21,084</b>
<b>Total Net Position</b>	<b>21,491</b>	<b>24,140</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 57,917</b>	<b>\$ 45,224</b>

**Lincoln Parish Sales And Use Tax Commission  
Management's Discussion and Analysis  
For the Year Ended June 30, 2017**

**Statement of Activities**

	June 30,	
	2017	2016
<b>Revenues</b>		
Intergovernmental Revenues	\$ 145,117	\$ 91,824
Charges For Services	146,505	148,803
<b>Total Revenues</b>	<b>291,622</b>	<b>240,627</b>
<b>Expenses</b>		
Personnel Expenses	223,762	190,986
Professional Services	26,501	9,213
Operating Expenses	34,819	32,423
Travel	3,239	4,424
Depreciation	5,950	6,308
<b>Total Expenses</b>	<b>294,271</b>	<b>243,354</b>
<b>Changes in Net Position</b>	(2,649)	(2,727)
<b>Net Position at beginning of year</b>	24,140	26,867
<b>Net Position at end of year</b>	<b>\$ 21,491</b>	<b>\$ 24,140</b>

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

The Commission's investment in capital assets for its governmental activities as of June 30, 2017 and 2016 amounted to \$20,367 and \$23,016 and (net of depreciation). This investment includes computer equipment and furniture and fixtures. 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 2016/2017 budget is \$343,018, which is an increase from 2015/2016 of \$51,396.

**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, 2017**

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	<b>Governmental Activities</b>	<b>Total</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 8,973	\$ 8,973
Receivables	28,577	28,577
Capital Assets, net of Depreciation	20,367	20,367
<b>Total Assets</b>	<b>\$ 57,917</b>	<b>\$ 57,917</b>
<b>Liabilities and Net Position</b>		
<b>Liabilities</b>		
Accounts Payable and Accrued Expenses	\$ 28,423	\$ 28,423
Internal Balances	8,003	8,003
<b>Total Liabilities</b>	<b>36,426</b>	<b>36,426</b>
<b>Net Position</b>		
Invested in Capital Assets, Net of Related Debt	20,367	20,367
Unrestricted	1,124	1,124
<b>Total Net Position</b>	<b>21,491</b>	<b>21,491</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 57,917</b>	<b>\$ 57,917</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, 2017**

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets Primary Government</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total</u>
<b>Primary Government:</b>						
Governmental Activities:						
General Government	\$ 294,271	\$ 146,505	\$ 145,117	\$ -	\$ (2,649)	\$ (2,649)
Total Governmental Activities	<u>\$ 294,271</u>	<u>\$ 146,505</u>	<u>\$ 145,117</u>	<u>\$ -</u>	<u>\$ (2,649)</u>	<u>\$ (2,649)</u>
 Total Primary Government	 <u>\$ 294,271</u>	 <u>\$ 146,505</u>	 <u>\$ 145,117</u>	 <u>\$ -</u>	 <u>\$ (2,649)</u>	 <u>\$ (2,649)</u>
 <b>General Revenues:</b>						
Interest Income				-	-	
Miscellaneous				-	-	
Total General Revenues				<u>-</u>	<u>-</u>	
Changes in Net Position				(2,649)	(2,649)	
Net Position - Beginning				24,140	24,140	
Net Position - Ending				<u>\$ 21,491</u>	<u>\$ 21,491</u>	

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, 2017**

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	<b>General Fund</b>	<b>Total Governmental Funds</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 8,973	\$ 8,973
Due From Taxing Bodies	28,577	28,577
<b>Total Assets</b>	<b>\$ 37,550</b>	<b>\$ 37,550</b>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts Payable and Accrued Expenses	\$ 28,423	\$ 28,423
Due To Other Funds	8,003	\$ 8,003
<b>Total Liabilities</b>	<b>36,426</b>	<b>36,426</b>
<b>Fund Balances</b>		
Unassigned	1,124	1,124
<b>Total Fund Balances</b>	<b>1,124</b>	<b>1,124</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 37,550</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	20,367
Net Assets of Governmental Activities	<b>\$ 21,491</b>

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, 2017**

	<b>General Fund</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>		
Intergovernmental	\$ 145,117	\$ 145,117
Charges for Services	146,505	146,505
<b>Total Revenues</b>	<b>291,622</b>	<b>291,622</b>
<b>Expenditures</b>		
<b>General Government</b>		
Personnel Services	223,762	223,762
Professional Services	26,501	26,501
Operating Expenses	34,819	34,819
Travel	3,239	3,239
Capital Expenditures	3,301	3,301
<b>Total Expenditures</b>	<b>291,622</b>	<b>291,622</b>
<b>Excess (Deficit) of Revenues over Expenditures</b>	-	-
<b>Fund Balances, Beginning of Year</b>	1,124	
<b>Fund Balances, End of Year</b>	<b>\$ 1,124</b>	

Net Changes in Fund Balances - Total Governmental Funds

-

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

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	3,301
Depreciation expense	(5,950)
	(2,649)
<b>Changes in Net Assets in Governmental Activities</b>	<b>\$ (2,649)</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, 2017**

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<b>Assets</b>		
Cash and Cash Equivalents		\$ 448,047
Due From Other Funds		8,003
<b>Total Assets</b>		<u>\$ 456,050</u>
<b>Liabilities</b>		
<b>Liabilities</b>		
Due To Taxing Bodies		\$ 8,003
Sales Tax Paid Under Protest		448,047
<b>Total Liabilities</b>		<u>456,050</u>

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, 2017**

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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 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 seven agencies established the Commission composed of nine 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.

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, 2017**

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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, 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, 2017, the following rates were in effect:

City of Ruston	2.50%
Lincoln Parish Police Jury	.75%
Lincoln Parish School Board	2.00%
City of Grambling	2.25%
City of Grambling EDD	.25%
Town of Dubach	1.00%
Village of Choudrant	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, 2017**

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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, 2017, the Commission's had cash equivalents (book balances) as follows:

Interest-bearing demand deposits	<u>\$457,021</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, 2017, are secured as follows:

Bank Balances	<u>\$481,968</u>
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The bank balances at June 30, 2017 were covered by Federal Deposit Insurance (FDIC). In addition, the financial institution has pledged securities of approximately \$4,618,452 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 seven 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, 2017, were \$291,622, which is approximately .64% of tax collections.



**Lincoln Parish Sales And Use Tax Commission**  
**Notes to Financial Statements**  
**For The Year Ended June 30, 2017**

**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>6/30/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2017</u>
Furniture & Fixtures	\$ 11,500	\$ -	\$ -	\$ 11,500
Computer Software & Equipment	49,878	3,301	-	53,179
Vehicles	17,745	-	-	17,745
<b>Total Fixed Assets</b>	<b>79,123</b>	<b>3,301</b>	<b>-</b>	<b>82,424</b>
Accumulated Depreciation	56,107	-	5,950	62,057
<b>Net Capital Assets</b>	<b>\$ 23,016</b>	<b>\$ 3,301</b>	<b>\$ 5,950</b>	<b>\$ 20,367</b>

Governmental Activities depreciation for the fiscal year ended June 30, 2017 totaled \$5,950.

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

The following information is presented on cash basis for the fiscal year ended June 30, 2017:

<u>Taxing Authority</u> <u>and Rate (%)</u>	<u>Total</u> <u>Collections</u>	<u>Collection</u> <u>Costs</u>	<u>Final</u> <u>Distribution</u>
City of Ruston (2.50%)	\$ 14,471,558	\$ 29,924	\$ 14,441,634
Lincoln Parish Police Jury (.75%)	7,157,250	24,290	7,132,960
Lincoln Parish School Board (2.0%)	19,086,368	64,737	19,021,631
Lincoln Parish Sheriff's Office (.25%)	2,370,271	8,075	2,362,196
City of Grambling (2.50%)	589,239	1,465	587,774
Town of Dubach (1.0%)	116,632	342	116,290
Village of Choudrant (1.25%)	278,007	926	277,081
Lincoln Parish Fire District No. 1 (.25%)	770,978	3,456	767,522
Ruston/Lincoln Convention & Visitors Bureau (4.0%)	524,722	1,724	522,998
<b>Totals</b>	<b>\$ 45,365,025</b>	<b>\$ 134,939</b>	<b>\$ 45,230,086</b>

**Lincoln Parish Sales And Use Tax Commission**  
**Notes to Financial Statements**  
**For The Year Ended June 30, 2017**

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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, 2017, the Commission held \$448,047 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 2017. Total fees collected during the fiscal year ended June 30, 2017 was \$146,505.

**NOTE 8 - SUBSEQUENT EVENTS**

Date of Management Evaluation

Management has evaluated subsequent events through December 8, 2017, the date on which the financial statements were available to be issued.

**OTHER SUPPLEMENTAL INFORMATION**

**Lincoln Parish Sales and Use Tax Commission**  
**Schedule of Collections, Distributions, and Undistributed Balances**  
**Fiduciary Funds**  
**For The Year Ended June 30, 2017**

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**Collections:**

Sales and use tax	\$ 45,186,322
Hotel/Motel tax	520,920
Interest received	7,803
<b>Total Collections</b>	<u>45,715,045</u>

**Distributions:**

City of Ruston	14,441,634
Lincoln Parish Police Jury	7,132,960
Lincoln Parish School Board	19,021,631
Lincoln Parish Sheriff	2,362,196
City of Grambling	587,774
Town of Dubach	116,290
Village of Choudrant	277,081
Lincoln Parish Fire District No. 1	767,522
Ruston/Lincoln Convention & Visitors Bureau	522,998
Operating Expenses	476,289
<b>Total Distributions</b>	<u>45,706,375</u>

**Collections Less Distributions** 8,670

**Undistributed balances at beginning of year** 434,551

Taxes Paid Under Protest 12,829

**Undistributed balances at end of year** \$ 456,050

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, 2017**

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Schedule 2

<b>Agency Head: Administrator</b>	<u>Denise Griggs</u>
<b>Purpose:</b>	
Salary	\$ 55,955
Benefits - Payroll Taxes, Insurance, Retirement	26,074
Reimbursements	-
<b>Total Compensation, Benefits and Other Payments</b>	<u><u>\$ 82,029</u></u>

See independent auditors' report.

**Lincoln Parish Sales and Use Tax Commission**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For The Year Ended June 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance With</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u> <u>Basis</u>	<u>Favorable</u> <u>(Unfavorable)</u>
<b>Revenues</b>				
Intergovernmental	\$ 184,473	\$ 145,117	\$ 145,117	\$ -
Charges For Services	148,000	146,505	146,505	-
Interest Earned	-	-	-	-
<b>Total Revenues</b>	<u>332,473</u>	<u>291,622</u>	<u>291,622</u>	<u>-</u>
<b>Expenditures</b>				
<b>General Government</b>				
Personnel Services	256,205	223,762	223,762	-
Professional Services	18,000	26,501	26,501	-
Operating Expenses	47,268	34,819	34,819	-
Travel	6,000	3,239	3,239	-
Capital Expenditures	5,000	3,301	3,301	-
<b>Total Expenditures</b>	<u>332,473</u>	<u>291,622</u>	<u>291,622</u>	<u>-</u>
<b>Excess (Deficit) of Revenues over Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances, Beginning of Year</b>	16,285	16,285	16,285	-
<b>Fund Balances, End of Year</b>	<u>\$ 16,285</u>	<u>\$ 16,285</u>	<u>\$ 16,285</u>	<u>\$ -</u>

See independent auditors' report.

**Lincoln Parish Sales & Use Tax Commission**  
**Notes to Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2017**

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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 24, 2016, 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*

104 Regency Place

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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, 2017, 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 8, 2017.

### **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 my 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 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 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.

*Cameron, Hines & Company (APAC)*

West Monroe, Louisiana  
December 8, 2017

**Lincoln Parish Sales & Use Tax Commission  
Schedule of Findings and Questioned Costs  
For The Year Ended June 30, 2017**

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We have audited the financial statements of the Lincoln Parish Sales & Use Tax Commission as of and for the year ended June 30, 2017, and have issued our report thereon dated December 8, 2017. 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 audit of the financial statements as of June 30, 2017, resulted in an unmodified opinion.

**Section I- Summary of Auditors' Reports**

**A. Independent Auditor's Report on Internal Control and Compliance Material to the Financial Statements**

	<u>Yes</u>	<u>No</u>
<b><u>Internal Control</u></b>		
Material Weaknesses		<b>X</b>
Significant Deficiencies		<b>X</b>
<b><u>Compliance</u></b>		
Noncompliance Material to Financial Statements		<b>X</b>

**B. Federal Awards – N/A**

**C. Identification of Major Programs: N/A**

**Lincoln Parish Sales & Use Tax Commission  
Schedule of Findings and Questioned Costs  
For The Year Ended June 30, 2017**

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**Section II- Financial Statement Findings**

There were no findings for the fiscal year ended June 30, 2017.

**Section III- Federal Award Findings and Question Costs**

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, 2017**

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

There were no findings for the year ended June 30, 2016.

**Management Letter**

No management letter was issued.

**Lincoln Parish Sales & Use Tax Commission  
Management's Corrective Action Plan  
For The Year Ended June 30, 2017**

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**Section II- Financial Statement Findings**

There were no findings for the fiscal year ended June 30, 2017.

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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, which were agreed to by the Lincoln Parish Sales and Use Tax Commission (Commission) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. The Commission's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

### Written Policies and Procedures

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1. Obtain the Commission's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the Commission does not have any written policies and procedures), as applicable:
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**, including processing, reviewing, and approving
  - d) **Receipts**, including receiving, recording, and preparing deposits
  - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
  - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the Commission's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

**Findings:** Thirty-nine exceptions noted where the policies of the Commission did not meet the requirements set by the procedures listed above; primarily because there were no written policy or procedures.

***Board (or Finance Committee, if applicable)***

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- 2. Obtain and review the board/committee minutes for the fiscal period, and:
  - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
  - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the Commission's prior audit (GAAP-basis).
    - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
  - c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

**Findings:** One exception noted where the Commission does not discuss budget to actual comparisons in its meetings.

### ***Bank Reconciliations***

---

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

**Findings:** We obtained the listing and management's representation.

4. Using the listing provided by management, select all of the Commission's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
  - a) Bank reconciliations have been prepared;
  - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
  - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

**Findings:** No exceptions noted.

### ***Collections***

---

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

**Findings:** We obtained the listing and management's representation.

6. Using the listing provided by management, select all of the Commission's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**
  - a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.



- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the Commission has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
  - Using Commission's collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
  - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

**Findings:** One exception noted where each cash collection location did not have written documentation describing the formal process to reconcile the collections to the accounting records.

- 7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the Commission has a process specifically defined (identified as such by the Commission) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

**Findings:** One exception noted where each cash collection location did not have written documentation of the process used to verify completeness of collections for the period.

***Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)***

---

- 8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

**Findings:** We obtained the general ledger and management's representation.

- 9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the Commission had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting

documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

**Findings:** No exceptions noted.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the Commission's purchasing/disbursement system.

**Findings:** No exceptions noted.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

**Findings:** No exceptions noted.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

**Findings:** No exceptions noted.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

**Findings:** No signature stamp or signature machine is used by the Commission. This step is not applicable.

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

---

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

**Findings:** We obtained the listing and management's representation.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the Commission has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
- b) Report whether finance charges and/or late fees were assessed on the selected statements.

**Findings:** No exceptions noted.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:
  - An original itemized receipt (i.e., identifies precisely what was purchased)
  - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
  - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the Commission's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
- c) For each transaction, compare the Commission's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

**Findings:** No exceptions noted.

### ***Travel and Expense Reimbursement***

---

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

**Findings:** We obtained the general ledger and noted no travel and related expense reimbursements. We obtained management's representation.

18. Obtain the Commission's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.

**Findings:** No exceptions noted.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the Commission does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

c) Compare the Commission's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a

comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Findings:** This step is not applicable.

### ***Contracts***

---

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

**Findings:** We obtained the general ledger and noted no contracts in effect during the fiscal period. We obtained management's representation.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
  - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the Commission complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
  - If no, obtain supporting contract documentation and report whether the Commission solicited quotes as a best practice.
- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

**Findings:** This step is not applicable.

## ***Payroll and Personnel***

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22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
  - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

**Findings:** All payroll contracts are handled by the Lincoln Parish Police Jury. Therefore, this step is not applicable.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the Commission had less than 25 employees during the fiscal period), and:
- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
  - c) Report whether there is written documentation that the Commission maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

**Findings:** No exceptions noted.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

**Findings:** We noted that the Commission did not have any employees who were terminated during the fiscal period. Therefore, this step is not applicable.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

**Findings:** All payroll tax and retirement contribution payments are handled by the Lincoln Parish Police Jury. Therefore, this step is not applicable.

***Ethics (excluding nonprofits)***

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26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the Commission maintained documentation to demonstrate that required ethics training was completed.

**Findings:** The Commission only has four employees. We tested all four employees. No exceptions were noted.

27. Inquire of management whether any alleged ethics violations were reported to the Commission during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the Commission's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

**Findings:** We noted that no alleged ethics violations were reported to the Commission during the fiscal period.

***Debt Service (excluding nonprofits)***

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28. If debt was issued during the fiscal period, obtain supporting documentation from the Commission, and report whether State Bond Commission approval was obtained.

**Findings:** We noted that no debt was issued during the fiscal period.

29. If the Commission had outstanding debt during the fiscal period, obtain supporting documentation from the Commission and report whether the Commission made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

**Findings:** The Commission had no outstanding debt during the fiscal period. Therefore, this step is not applicable.

30. If the Commission had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

**Findings:** We noted that the Commission does not have tax millages relating to debt service.

***Other***

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31. Inquire of management whether the Commission had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the Commission

reported the misappropriation to the legislative auditor and the district attorney of the parish in which the Commission is domiciled.

**Findings:** We noted that there were no misappropriations of public funds or assets reported to the Commission.

32. Observe and report whether the Commission has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at [www.la.gov/hotline](http://www.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

**Findings:** No exceptions noted.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

**Findings:** We did not observe or otherwise identify any exceptions regarding management's representations in the procedures above.

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

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We concur with the results of the procedures and are working diligently to improve controls.

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

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

*Concepcion, Hines & Company (APAC)*

West Monroe, Louisiana  
December 8, 2017