

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

*Financial Statements*  
*For the Year Ended June 30, 2022*



**Lincoln Parish Sales and Use Tax Commission**  
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**For the Year Ended June 30, 2022**

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# CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

*Certified Public Accountants*

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

## INDEPENDENT AUDITORS' REPORT

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

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and aggregate remaining fund information of the Lincoln Parish Sales and Use Tax Commission as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the aggregate remaining fund information of the Lincoln Parish Sales and Use Tax Commission, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Lincoln Parish Sales and Use Tax Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Lincoln Parish Sales and Use Tax Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lincoln Parish Sales and Use Tax Commission's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-7 and 21-22 be presented to supplement the basic financial statements. Such information is the responsibility and management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who

considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lincoln Parish Sales & Use Tax Commission's basic financial statements. The accompanying other financial information consisting of the schedule of compensation, reimbursements, benefits and other payments to agency head on page 20 and the schedule of collections, distributions and undistributed balances on page 19 are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other information used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, reimbursements, benefits and other payments to agency head and the schedule of collections, distributions and undistributed balances are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2022, on our consideration of the Lincoln Parish Sales & Use Tax Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Union Parish Sales & Use Tax Commission's internal control over financial reporting and compliance.

*Cameron, Hines & Company (APAC)*

West Monroe, Louisiana  
December 15, 2022

**Lincoln Parish Sales And Use Tax Commission  
Management's Discussion and Analysis  
For the Year Ended June 30, 2022**

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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, 2022. 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, 2022 by \$20,059. Of this amount, \$5,856 is unrestricted. Assets exceeded liabilities by \$41,293 at June 30, 2021. Of this amount, \$5,511 was unrestricted.
- The Commission's total net position decreased by \$21,234 for the fiscal year ended June 30, 2022. The Commission's total net position decreased by \$21,996 for the fiscal year ended June 30, 2021.
- The unassigned fund balance of the general fund was \$5,856 at June 30, 2022, and \$5,511 at June 30, 2021, or 1.95% and 1.78% of the total general fund expenditures, respectively.
- The general fund reported \$345 excess of revenues over expenditures at June 30, 2022. The general fund reported \$1,366 excess of expenditures over revenues at June 30, 2021.
- The Commission remitted \$63,326,537 and \$56,672,716 in taxes and interest to its member agencies for the fiscal years ended June 30, 2022, and June 30, 2021. This represents an increase of \$6,653,821 or 11.74% increase from 2021, and an increase of \$10,145,891, or 21.81% from the 2020 fiscal year, respectively.
- Operating expenses were approximately .47% and .55% of tax collections for the fiscal years ending June 30, 2022, and June 30, 2021.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

Management's Discussion and Analysis

Basic Financial Statements

Notes to Financial Statements

**Lincoln Parish Sales And Use Tax Commission  
Management's Discussion and Analysis  
For the Year Ended June 30, 2022**

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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, 2022**

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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>2022</b>	<b>2021</b>
<b>Assets</b>		
Cash	\$ 3,219	\$ 19,450
Receivables	25,903	26,299
Capital Assets, net	14,203	35,782
<b>Total Assets</b>	<b>\$ 43,325</b>	<b>\$ 81,531</b>
<b>Liabilities And Net Position</b>		
Accounts Payable and Accrued Expenses	\$ 22,458	\$ 38,167
Internal Balances	808	2,071
<b>Total Liabilities</b>	23,266	40,238
<b>Total Net Position</b>	20,059	41,293
<b>Total Liabilities and Net Position</b>	<b>\$ 43,325</b>	<b>\$ 81,531</b>



**Lincoln Parish Sales And Use Tax Commission  
Management's Discussion and Analysis  
For the Year Ended June 30, 2022**

**Statement of Activities**

	<b>June 30,</b>	
	<b>2022</b>	<b>2021</b>
<b>Revenues</b>		
Intergovernmental Revenues	\$ 115,724	\$ 135,227
Charges For Services	184,341	173,421
<b>Total Revenues</b>	<b>300,065</b>	<b>308,648</b>
<b>Expenses</b>		
Personnel Expenses	245,047	243,857
Professional Services	9,576	15,808
Operating Expenses	41,443	46,170
Travel	2,050	1,283
Loss on Disposal	-	261
Depreciation	23,183	23,265
<b>Total Expenses</b>	<b>321,299</b>	<b>330,644</b>
<b>Changes in Net Position</b>	<b>(21,234)</b>	<b>(21,996)</b>
<b>Net Position at beginning of year</b>	<b>41,293</b>	<b>63,289</b>
<b>Net Position at end of year</b>	<b>\$ 20,059</b>	<b>\$ 41,293</b>

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

The Commission's investment in capital assets for its governmental activities as of June 30, 2022 and 2021 amounted to \$14,203 and \$35,782 and (net of depreciation). This investment includes computer equipment and furniture and fixtures. During 2022, the Commission invested \$1,604 in new computer equipment. There is no outstanding debt.

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

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

The 2022/2023 budget is \$382,795, which is an increase from 2021/2022 of \$5,412.

**CONTACTING THE COMMISISON'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, 2022**

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	<b>Governmental Activities</b>	<b>Total</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 3,219	\$ 3,219
Receivables	25,903	25,903
Capital Assets, net of Depreciation	14,203	14,203
<b>Total Assets</b>	<b>\$ 43,325</b>	<b>\$ 43,325</b>
<b>Liabilities and Net Position</b>		
<b>Liabilities</b>		
Accounts Payable and Accrued Expenses	\$ 22,458	\$ 22,458
Internal Balances	808	808
<b>Total Liabilities</b>	<b>23,266</b>	<b>23,266</b>
<b>Net Position</b>		
Invested in Capital Assets, Net of Related Debt	14,203	14,203
Unrestricted	5,856	5,856
Total Net Position	20,059	20,059
<b>Total Liabilities and Net Position</b>	<b>\$ 43,325</b>	<b>\$ 43,325</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, 2022**

	<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	\$ 321,299	\$ 184,341	\$ 115,724	\$ -	\$ (21,234)	\$ (21,234)
Total Governmental Activities	<u>\$ 321,299</u>	<u>\$ 184,341</u>	<u>\$ 115,724</u>	<u>\$ -</u>	<u>\$ (21,234)</u>	<u>\$ (21,234)</u>
Total Primary Government	<u>\$ 321,299</u>	<u>\$ 184,341</u>	<u>\$ 115,724</u>	<u>\$ -</u>	<u>\$ (21,234)</u>	<u>\$ (21,234)</u>

**General Revenues:**

Interest Income	-	-
Total General Revenues	<u>-</u>	<u>-</u>
Changes in Net Position	(21,234)	(21,234)
Net Position - Beginning	41,293	41,293
Net Position - Ending	<u>\$ 20,059</u>	<u>\$ 20,059</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, 2022**

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	<b>General Fund</b>	<b>Total Governmental Funds</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 3,219	\$ 3,219
Due From Taxing Bodies	25,903	25,903
<b>Total Assets</b>	<b>\$ 29,122</b>	<b>\$ 29,122</b>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts Payable and Accrued Expenses	\$ 22,458	\$ 22,458
Due To Other Funds	808	\$ 808
<b>Total Liabilities</b>	<b>23,266</b>	<b>23,266</b>
<b>Fund Balances</b>		
Unassigned	5,856	5,856
<b>Total Fund Balances</b>	<b>5,856</b>	<b>5,856</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 29,122</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

	14,203
Net Assets of Governmental Activities	<b>\$ 20,059</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, 2022**

	<b>General Fund</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>		
Intergovernmental	\$ 115,724	\$ 115,724
Charges for Services	184,341	184,341
<b>Total Revenues</b>	<b>300,065</b>	<b>300,065</b>
<b>Expenditures</b>		
<b>General Government</b>		
Personnel Services	245,047	245,047
Professional Services	9,576	9,576
Operating Expenses	41,443	41,443
Travel	2,050	2,050
Capital Expenditures	1,604	1,604
<b>Total Expenditures</b>	<b>299,720</b>	<b>299,720</b>
<b>Excess (Deficit) of Revenues over Expenditures</b>	<b>345</b>	<b>345</b>
<b>Fund Balances, Beginning of Year</b>	5,511	
<b>Fund Balances, End of Year</b>	<b>\$ 5,856</b>	
 Net Changes in Fund Balances - Total Governmental Funds		<b>345</b>
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital assets purchased capitalized		1,604
Depreciation expense		(23,183)
		(21,579)
<b>Changes in Net Assets in Governmental Activities</b>		<b>\$ (21,234)</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, 2022**

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	<b>Custodial Funds</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 603,496
Due From Other Funds	808
<b>Total Assets</b>	<b>\$ 604,304</b>
<b>Liabilities</b>	
<b>Liabilities</b>	
Due To Taxing Bodies	\$ 808
Sales Tax Paid Under Protest	603,496
<b>Total Liabilities</b>	<b>604,304</b>
<b>Net Position</b>	
Restricted for:	
Member Taxing Bodies	-
<b>Total Net Position</b>	<b>\$ -</b>

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

**Lincoln Parish Sales and Use Tax Commission  
Statement of Changes in Fiduciary Net Position  
For The Year Ended June 30, 2022**

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	<b>Custodial Funds</b>
<b>Additions</b>	
Sales and use tax	\$ 62,819,901
Hotel/Motel tax	760,659
Interest received	808
<b>Total Additions</b>	<b>63,581,368</b>
<b>Deductions</b>	
Disbursements to Member Taxing Bodies	63,326,537
Lincoln Council on Aging	9,784
Operating Expenses	245,047
<b>Total Deductions</b>	<b>63,581,368</b>
<b>Net Increase (Decrease) in fiduciary net position</b>	-
<b>Net Position - Beginning</b>	-
<b>Net Position - Ending</b>	<b>\$ -</b>

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

**Lincoln Parish Sales And Use Tax Commission**  
**Notes to Financial Statements**  
**For The Year Ended June 30, 2022**

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

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

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

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

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

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



**Lincoln Parish Sales And Use Tax Commission**  
**Notes to Financial Statements**  
**For The Year Ended June 30, 2022**

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

**A. Fund Accounting**

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

**B. Basis of Accounting**

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

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

**C. Cash and Cash Equivalents**

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

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

Sales and use tax collections are distributed monthly based on the tax rates levied by each governmental body. At June 30, 2022, the following rates were in effect:

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

**Lincoln Parish Sales And Use Tax Commission**  
**Notes to Financial Statements**  
**For The Year Ended June 30, 2022**

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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, 2022, the Commission's had cash equivalents (book balances) as follows:

Interest-bearing demand deposits	<u>\$606,715</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, 2022, are secured as follows:

Bank Balances	<u>\$634,910</u>
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The bank balances at June 30, 2022, were covered by Federal Deposit Insurance (FDIC). In addition, the financial institution has pledged securities of approximately \$7,581,620 held to cover account balances in excess of \$250,000 during each month.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Commission that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE 3 – OPERATING EXPENSES**

The Commission's employees are covered under the Lincoln Parish Police Jury's benefits and retirement systems. As discussed in Note 1, the participating agencies share the operating expenses of the Lincoln Parish Sales and Use Tax Commission on a pro rata basis. The operating expenses of the Commission for the 12 months ended June 30, 2022, were \$299,720, which is approximately .47% of tax collections.

**Lincoln Parish Sales And Use Tax Commission**  
**Notes to Financial Statements**  
**For The Year Ended June 30, 2022**

**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>6/30/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2022</u>
Furniture & Fixtures	\$ 7,469	\$ -	\$ -	\$ 7,469
Computer Software & Equipment	81,597	1,604	-	83,201
Vehicles	17,745	-	-	17,745
<b>Total Fixed Assets</b>	<b>106,811</b>	<b>1,604</b>	<b>-</b>	<b>108,415</b>
Less: Accumulated Depreciation	71,029	23,183	-	94,212
<b>Net Capital Assets</b>	<b>\$ 35,782</b>	<b>\$ (21,579)</b>	<b>\$ -</b>	<b>\$ 14,203</b>

Governmental Activities depreciation for the fiscal year ended June 30, 2022, totaled \$23,183.

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

The following information is presented on cash basis for the fiscal year ended June 30, 2022:

<u>Taxing Authority</u> <u>and Rate (%)</u>	<u>Total</u> <u>To Be</u> <u>Distributed</u>	<u>Collection</u> <u>Costs</u>	<u>Final</u> <u>Distribution</u>
City of Ruston (2.50%)	\$ 22,166,858	\$ 41,787	\$ 22,125,071
Lincoln Parish Police Jury (.75%)	8,232,767	15,659	8,217,108
Lincoln Parish School Board (2.5%)	27,382,061	47,954	27,334,107
Lincoln Parish Sheriff's Office (.25%)	2,744,121	5,220	2,738,901
City of Grambling (2.50%)	907,601	1,652	905,949
Town of Dubach (1.0%)	149,143	260	148,883
Village of Choudrant (1.25%)	363,234	673	362,561
Village of Simsboro (1.25%)	108,818	247	108,571
Lincoln Parish Fire District No. 1 (.25%)	596,727	1,134	595,593
Ruston/Lincoln Convention & Visitors Bureau (4.0%)	790,931	1,138	789,793
<b>Totals</b>	<b>\$ 63,442,261</b>	<b>\$ 115,724</b>	<b>\$ 63,326,537</b>

**Lincoln Parish Sales And Use Tax Commission**  
**Notes to Financial Statements**  
**For The Year Ended June 30, 2022**

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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, 2021, the Commission held \$579,327 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 2022. Total fees collected during the fiscal year ended June 30, 2022, was \$184,341.

**NOTE 8 – SUBSEQUENT EVENTS**

Date of Management Evaluation

Management has evaluated subsequent events through December 15, 2022, the date on which the financial statements were available to be issued.

**Lincoln Parish Sales and Use Tax Commission**  
**Schedule of Collections, Distributions, and Undistributed Balances**  
**Fiduciary Funds**  
**For The Year Ended June 30, 2022**

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**Collections:**

Sales and use tax	\$ 62,819,901
Hotel/Motel tax	760,659
Interest received	808
<b>Total Collections</b>	<b>63,581,368</b>

**Distributions:**

City of Ruston	22,125,071
Lincoln Parish Police Jury	8,217,108
Lincoln Parish School Board	27,334,107
Lincoln Parish Sheriff	2,738,901
City of Grambling	905,949
Town of Dubach	148,883
Village of Choudrant	362,561
Village of Simsboro	108,571
Lincoln Parish Fire District No. 1	595,593
Ruston/Lincoln Convention & Visitors Bureau	789,793
Lincoln Council on Aging	9,784
Operating Expenses	245,047
<b>Total Distributions</b>	<b>63,581,368</b>

**Collections Less Distributions** -

**Undistributed balances at beginning of year** 579,874

Taxes Paid Under Protest 23,622

**Undistributed balances at end of year** \$ 603,496

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, 2022**

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Schedule 2

<b>Agency Head: Administrator</b>	<b><u>Denise</u></b> <b><u>Griggs</u></b>
<b>Purpose:</b>	
Salary	\$ 75,000
Benefits - Payroll Taxes, Insurance, Retirement	21,743
Reimbursements	<u>808</u>
<b>Total Compensation, Benefits and Other Payments</b>	<b><u>\$ 97,551</u></b>

See independent auditors' report.

**Lincoln Parish Sales and Use Tax Commission**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For The Year Ended June 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final	GAAP Basis	Favorable (Unfavorable)
<b>Revenues</b>				
Intergovernmental	\$ 228,383	\$ 115,379	\$ 115,724	\$ 345
Charges For Services	149,000	184,341	184,341	-
<b>Total Revenues</b>	<b>377,383</b>	<b>299,720</b>	<b>300,065</b>	<b>345</b>
<b>Expenditures</b>				
<b>General Government</b>				
Personnel Services	285,215	245,047	245,047	-
Professional Services	22,000	9,576	9,576	-
Operating Expenses	61,168	41,443	41,443	-
Travel	4,000	2,050	2,050	-
Capital Expenditures	5,000	1,604	1,604	-
<b>Total Expenditures</b>	<b>377,383</b>	<b>299,720</b>	<b>299,720</b>	<b>-</b>
<b>Excess (Deficit) of Revenues over Expenditures</b>	<b>-</b>	<b>-</b>	<b>345</b>	<b>345</b>
<b>Fund Balances, Beginning of Year</b>	<b>5,511</b>	<b>5,511</b>	<b>5,511</b>	<b>-</b>
<b>Fund Balances, End of Year</b>	<b>\$ 5,511</b>	<b>\$ 5,511</b>	<b>\$ 5,856</b>	<b>\$ 345</b>

See independent auditors' report.

**Lincoln Parish Sales & Use Tax Commission**  
**Notes to Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2022**

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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 20, 2021, 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

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

## **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, 2022, 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 15, 2022.

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

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Lincoln Parish Sales and Use Tax Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is 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 15, 2022

**Lincoln Parish Sales & Use Tax Commission  
 Schedule of Findings and Responses  
 For The Year Ended June 30, 2022**

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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, 2022, and have issued our report thereon dated December 15, 2022. 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, 2022, resulted in an unmodified opinion.

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

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

	<b>Yes</b>	<b>No</b>
<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 Responses  
For The Year Ended June 30, 2022**

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**Section II - Financial Statement Findings**

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

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

This section is not applicable for this entity.

**Lincoln Parish Sales & Use Tax Commission**  
**Schedule of Prior Year Findings**  
**For the Year Ended June 30, 2022**

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

There were no findings for the fiscal year ended June 20, 2021.

**Management Letter**

No management letter was issued.

**Lincoln Parish Sales & Use Tax Commission  
Management's Corrective Action Plan  
For The Year Ended June 30, 2022**

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**Section II - Financial Statement Findings**

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

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

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

*For the Year Ended June 30, 2022*



# CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

*Certified Public Accountants*

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

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

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

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. The Commission's management is responsible for those C/C areas identified in the SAUPs.

The Commission has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### *Written Policies and Procedures*

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1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:<sup>1</sup>
  - 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.

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



- d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) ***Ethics***<sup>2</sup>, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Findings:** No exceptions noted.

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

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

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds<sup>4</sup>, and semi-annual budget-to-actual, at a minimum, on all special revenue funds<sup>7</sup>. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds<sup>5</sup> if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

**Findings:** No exceptions noted.

### ***Bank Reconciliations***

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3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts<sup>6</sup> (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

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

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

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

<sup>6</sup> Accounts selected may exclude savings and investment accounts that are not part of the entity's daily business operations.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**Findings:** No exceptions noted.

### ***Collections (excluding electronic funds transfers)<sup>7</sup>***

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- 4. Obtain a listing of deposit sites<sup>8</sup> for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, obtain a listing of collection locations<sup>9</sup> and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
- 6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits

---

<sup>7</sup> The Collections category is not required to be tested if the entity has a third party contractor performing all collection functions (i.e., receiving collections, preparing deposits, and making deposits).

<sup>8</sup> A deposit site is a physical location where a deposit is prepared and reconciled.

<sup>9</sup> A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit. For example, in a school district a collection location may be a classroom and a deposit site may be the school office.

were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

**Findings:** No exceptions noted.

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

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8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

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

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10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
  - a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
  - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**Findings:** No exceptions noted.

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

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11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards<sup>10</sup>. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [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) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing)<sup>11</sup>. For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should

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<sup>10</sup> Including cards used by school staff for either school operations or student activity fund operations.

<sup>11</sup> For example, if 3 of the 5 cards selected were fuel cards, only 10 transactions would be selected for each of the 2 credit cards. Conceivably, if all 5 cards randomly selected under procedure #12 were fuel cards, Procedure #13 would not be applicable.

describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

**Findings:** No exceptions noted.

### ***Travel and Travel-Related Expense Reimbursements<sup>12</sup> (excluding card transactions)***

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14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Findings:** Three exceptions noted where the reimbursement was not reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

### ***Contracts***

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15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and:
- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law<sup>13</sup> (e.g., solicited quotes or bids, advertised), if required by law.

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<sup>12</sup> Non-travel reimbursements are not required to be tested under this category.

<sup>13</sup> If the entity has adopted the state Procurement Code, replace “Louisiana Public Bid Law” with “Louisiana Procurement Code.”

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

**Findings:** No exceptions noted.

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

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- 16. Obtain a listing of employees and officials<sup>14</sup> employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe all selected employees or officials<sup>15</sup> documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
  - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
  - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- 18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

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<sup>14</sup> "Officials" would include those elected, as well as board members who are appointed.

<sup>15</sup> "Officials" would include those elected, as well as board members who are appointed.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

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

### *Ethics*<sup>16</sup>

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
  - a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

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

### *Debt Service*<sup>17</sup>

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

**Findings:** The Commission has no debt. This section is not applicable.

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<sup>16</sup> The Louisiana Code of Ethics is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a nonprofit, the procedures should be performed.

<sup>17</sup> This AUP category is generally not applicable to nonprofit entities; however, if applicable, the procedures should be performed.



## ***Fraud Notice***

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe the entity has posted, on its premises<sup>18</sup> and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.<sup>19</sup>

**Findings:** No exceptions noted.

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

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25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
  - a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
  - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
  - c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

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

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<sup>18</sup> Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs.

<sup>19</sup> This notice is available for download or print at [www.lja.la.gov/hotline](http://www.lja.la.gov/hotline).

## ***Sexual Harassment***<sup>20</sup>

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26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).
28. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
  - a) Number and percentage of public servants in the agency who have completed the training requirements;
  - b) Number of sexual harassment complaints received by the agency;
  - c) Number of complaints which resulted in a finding that sexual harassment occurred;
  - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - e) Amount of time it took to resolve each complaint.

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

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

We were engaged by the Commission to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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<sup>20</sup> A private non-profit that is subject to audit by virtue of the receipt of public funds does not appear to be subject to the sexual harassment law, R.S. 42:341, et seq. However, the non-profit could be subject to the law as part of its agreement to receive the public funds.

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

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

*Cameron, Hines & Company (APAC)*

West Monroe, Louisiana  
December 20, 2022