

LOUISIANA UNIFORM LOCAL SALES TAX BOARD

Baton Rouge, Louisiana

FINANCIAL REPORT

June 30, 2021

LOUISIANA UNIFORM LOCAL SALES TAX BOARD

Baton Rouge, Louisiana

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INDEPENDENT AUDITOR'S REPORT

To the Board Members of the
Louisiana Uniform Local Sales Tax Board
Baton Rouge, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Louisiana Uniform Local Sales Tax Board (the Board), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the major fund of the Board, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information on pages 4 through 9 and 24 through 25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head, on page 26 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2021, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
December 10, 2021

LOUISIANA UNIFORM LOCAL SALES TAX BOARD

Baton Rouge, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Louisiana Uniform Local Sales Tax Board of the Parish of Baton Rouge, Louisiana (the Board) we are pleased to provide an overview of our financial activities for the year ended June 30, 2021. Please read it in conjunction with the Board's financial statements, which begin on page 10. The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts.

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

FINANCIAL HIGHLIGHTS

In 2021, the Board experienced an increase in net position and in fund balance.

The major financial highlights for 2021 are as follows:

- Assets of the Board's primary government's assets exceeded its liabilities at the close of the year by approximately \$1,009,000 (net position).
- The primary government's total net position increased by approximately \$295,000 during 2021.
- As of the end of the year, the primary government's governmental fund reported fund balances of approximately \$1,000,000.
- The General Fund's fund balance increased by approximately \$291,000 during 2021.

Significant aspects of the Board's financial well-being as of and for the year ended June 30, 2021 are detailed throughout this analysis.

USING THIS ANNUAL REPORT

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

This annual report consists of a series of financial statements. The government-wide Statement of Net Position and the Statement of Activities (on pages 10 and 11, respectively) provide information about the activities of the Board as a whole and present a longer-term view of the Board's finances.

Fund financial statements start on page 12. For governmental activities, these statements illustrate how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Board's operations in more detail than the government-wide statements by providing additional information about the Board's General Fund.

Reporting on the Board as a Whole

Our analysis of the Board as a whole begins on page 10. The Statement of Net Position and the Statement of Activities report information about its activities in a way to determine if the Board is in better condition as a result of the year's financial results. These statements include all assets and liabilities using the full accrual basis of accounting, which is similar to accounting methods used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods.

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

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

At June 30, 2021, the Board's net position was \$1,009,000 for governmental activities, of which \$9,000 was invested in capital assets and the remainder was unrestricted. The Board does not have restricted net position, which is reported separately to show legal constraints from debt covenants and enabling legislation that limits the Board's ability to use that net position for day-to-day operations.

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

Statements of Net Position
June 30, 2021 and 2020
(in thousands)

	2021	2020
Cash and cash equivalents	\$ 874	\$ 715
Due from other governments	142	-
Other assets	1	-
Capital assets, net	9	5
Total assets	\$ 1,026	\$ 720
Current and other liabilities	17	6
Net positions:		
Net investment in capital assets	9	5
Unrestricted	1,000	709
Total liabilities and net position	\$ 1,026	\$ 720

Net position of the Board's governmental activities increased by \$295,000 or 41% during 2021. The change in net position was primarily due to sales tax in excess of expenditures for professional fees and other operational expenditures.

The \$1,000,000 in unrestricted net position of governmental activities represents the accumulated results of operations, or the residual that would remain after the Board paid all of its obligations. The changes in net position are discussed later in this analysis.

(Continued)

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

Louisiana Uniform Local Sales Tax Board
Statement of Activities
For the year ended June 30, 2021 and 2020
(in thousands)

	2021	2020
General Revenues:		
Sales and use tax	\$ 755	\$ -
Investment	1	8
Total revenues	756	8
Functions/Programs Expenses:		
General government	461	360
Change in net position	295	(352)
Beginning net position	714	1,066
Ending net position	\$ 1,009	\$ 714

Fund Financial Statements

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

Reporting on the Board as a Whole

Our analysis of the Board’s General Fund begins on page 12 with the fund financial statements that provide detailed information about the General Fund. The General Fund is required to be established by state law. However, the Board may establish other funds to control and manage money for particular purposes or to meet legal responsibilities for using certain taxes, grants, and other money. The Board has not established any other funds other than the General Fund.

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

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

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements and begin on page 16.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning original and final budgetary comparisons to actual results for the year for the Board’s major fund, the General Fund, which can be found on page 24.

Financial Analysis of the Government's Funds

The general government operations of the Board are accounted for in the General Fund. The focus of this fund, as noted earlier, is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Board’s financing requirements. The following is a summary of the Board’s operations for 2021 for the General Fund:

	(in thousands)	
	2021	2020
Revenues	\$ 756	\$ 8
Expenditures	465	365
Net change in fund balance	291	(357)
Fund balance, beginning of year	709	1,066
Fund balance, ending of year	1,000	709

The Board’s General Fund experienced an increase in fund balance of \$291,000 or 41% during 2021.

Sources of governmental revenues are summarized below:

<u>Source of Revenue</u>	(in thousands) 2021		(in thousands) 2020	
	Revenue	%	Revenue	%
Sales tax	\$ 755	100	-	-
Other	1	<1	8	100
Total	\$ 756	100	\$ 8	100

Expenditures of the primary government were \$465,000. The largest expenditures were professional fees of \$351,000 for accounting, legal, and technology services.

CAPITAL ASSETS

At the end of 2021, the Board had approximately \$9,000 invested in equipment.

More detailed information on the Board's capital assets is presented in Note 5 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Board is reliant upon House Bill No. 601, which accounts for all of its revenues. The budgeted expenditures for 2022 are expected to increase by \$89,000 or 19%. The Board only budgeted \$450 in revenues related to investment income for 2022.

Contacting the Board's Financial Management

This financial report is designed to provide a general overview of the Board's finances for all those with an interest in the Board's finances. If you have questions about this report or need additional financial information, contact the Louisiana Uniform Local Sales Tax Board, at 7722 Office Park Blvd, Room 2-108 Baton Rouge, LA 70809.

LOUISIANA UNIFORM LOCAL SALES TAX BOARD
 Baton Rouge, Louisiana
STATEMENT OF NET POSITION

June 30, 2021

	<u>Governmental Activities</u>
CURRENT ASSETS	
Cash and cash equivalents	\$ 874,083
Due from other governments	142,444
Other assets	571
EQUIPMENT, net	<u>8,895</u>
Total assets	<u>\$ 1,025,993</u>
LIABILITIES AND NET POSITION	
Accounts payable and accrued liabilities	\$ 16,732
NET POSITION	
Net investment in capital assets	8,895
Unrestricted	<u>1,000,366</u>
Total net position	<u>1,009,261</u>
Total liabilities and net position	<u>\$ 1,025,993</u>

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

LOUISIANA UNIFORM LOCAL SALES TAX BOARD

Baton Rouge, Louisiana

STATEMENT OF ACTIVITIES

For the year ended June 30, 2021

	Program Revenues			Net (Expenses)	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
Governmental activities					
General government	\$ 460,781	\$ -	\$ -	\$ -	\$ (460,781)
General revenues:					
Sales and use tax					755,554
Investment earnings					445
Total general revenues					<u>755,999</u>
Change in net position					295,218
Net position - beginning of year					<u>714,043</u>
Net position - end of year					<u>\$ 1,009,261</u>

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

LOUISIANA UNIFORM LOCAL SALES TAX BOARD

Baton Rouge, Louisiana

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2021

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 874,083
Due from other governments	142,444
Other assets	<u>571</u>
Total assets	<u>1,017,098</u>
LIABILITIES	
Accounts payable and other accrued expenses	\$ 16,732
FUND BALANCE	
Unassigned	<u>1,000,366</u>
Total liabilities and fund balance	<u>\$ 1,017,098</u>

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

LOUISIANA UNIFORM LOCAL SALES TAX BOARD

Baton Rouge, Louisiana

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

June 30, 2021

Total fund balances - governmental funds (Exhibit A-2)	\$ 1,000,366
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	<u>8,895</u>
Net position of governmental activities (Exhibit A)	<u>\$ 1,009,261</u>

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

LOUISIANA UNIFORM LOCAL SALES TAX BOARD

Baton Rouge, Louisiana

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

For the year ended June 30, 2021

	<u>General Fund</u>
REVENUES	
Sales and use tax	\$ 755,554
Interest	<u>445</u>
Total revenues	<u>755,999</u>
EXPENDITURES	
Current function:	
General government:	
Professional fees	351,225
Personnel	99,988
Capital outlay	7,858
Other	<u>5,952</u>
Total expenditures	<u>465,023</u>
Net change in fund balance	290,976
FUND BALANCE	
Beginning of year	<u>709,390</u>
End of year	<u>\$ 1,000,366</u>

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

LOUISIANA UNIFORM LOCAL SALES TAX BOARD

Baton Rouge, Louisiana

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

For the year ended June 30, 2021

Net change in fund balance - total governmental fund (Exhibit A-4) \$ 290,976

The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlay as expenditures. However in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense.

Capital outlay	7,858
Depreciation expense	<u>(3,616)</u>

Change in net position of governmental activities (Exhibit A-1) \$ 295,218

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

LOUISIANA UNIFORM LOCAL SALES TAX BOARD
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations

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

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

Financial Statement Presentation

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial statement presentation (Continued)

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

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

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

Government-wide Financial Statements

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

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

Governmental Fund Types

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

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

Basis of Accounting and Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included in the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued)

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

Cash and cash equivalents

The Board considers all highly liquid debt instruments, including money markets and certificates of deposits available for current use, with an initial maturity of three months or less, to be cash equivalents. There were no cash equivalents as of June 30, 2021.

Capital Assets

Government-wide Statements

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

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

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

Computer equipment	3 - 5 years
Furniture and Fixtures	7 years

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Fund Financial Statements

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

Government-wide Net Position

Government-wide net position is divided into three components:

- Net investment in capital assets - consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net position - consist of net position that is restricted by the Board's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors. The Board has no restricted net position as of June 30, 2021.
- Unrestricted - all other net position is reported in this category.

Governmental Fund Balances

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Balances (Continued)

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

Use of Restricted Resources

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

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

Budget Policy and Budgetary Accounting

Policy and Practice

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

Basis of Budgeting

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of the government-wide financial statements during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for depreciation and accrued liabilities.

Subsequent Events

In preparing these financial statements, the Board has evaluated events and transactions for potential recognition or disclosure through December 10, 2021, which was the date the financial statements were available to be issued.

NOTE 2 - DEPOSITS

At June 30, 2021, the carrying amount of the primary government's deposits was \$874,083 and the bank balance was \$882,838. The bank balance is secured by federal depository insurance and collateral held by the Board's agent in the Board's name.

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

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

Federal deposit insurance (FDIC)	\$ 250,000
Pledged securities in the Board's name	<u>632,838</u>
Total bank balance	<u>\$ 882,838</u>

NOTE 3 - DUE FROM OTHER GOVERNMENTS

As of June 30, 2021, \$142,444 was due from the Department of Public Safety.

NOTE 4 - ECONOMIC DEPENDENCY

The Louisiana Legislature passed in House Bill No. 601 (HB 601) of the 2017 Louisiana Legislative Session to establish the Board as a political subdivision of the State. HB 601 provides the Board to be funded by statewide collections of local sales and use tax on motor vehicles within the State of Louisiana. This funding is 100% of the Board’s revenue for the year ended June 30, 2021. As of January 2021, such collections were limited to contractual agreements between the Board and fifty-eight parishes under the terms of a Memoranda of Understanding between the Board and each parish.

NOTE 5 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2021 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Computers and technology	\$ 11,092	\$ 2,220	\$ -	\$ 13,312
Furniture and fixture	-	5,638	-	5,638
Capital assets being depreciated:	11,092	7,858	-	18,950
Less: accumulated depreciation	(6,439)	(3,616)	-	(10,055)
Total capital assets, net	\$ 4,653	\$ 4,242	\$ -	\$ 8,895

Depreciation expense was \$3,616 for 2021.

NOTE 6 - GOVERNING BODY COMPENSATION

The governing board received no compensation for the year ended June 30, 2021.

NOTE 7 - RISK MANAGEMENT

The Organization is exposed to risks of loss in the areas of general liability and property hazards. All these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year. Insurance settlements do not exceed insurance coverage.

LOUISIANA UNIFORM LOCAL SALES TAX BOARD

Baton Rouge, Louisiana

GENERAL FUND

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

For the year ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
REVENUES				
Sales and use tax	\$ -	\$ -	\$ 755,554	\$ 755,554
Interest and other	<u>5,900</u>	<u>550</u>	<u>445</u>	<u>(105)</u>
Total revenues	<u>5,900</u>	<u>550</u>	<u>755,999</u>	<u>755,449</u>
EXPENDITURES				
Current function:				
General government				
Professional fees	248,190	369,690	351,225	18,465
Personnel	123,712	123,712	99,988	23,724
	-	-	-	-
Capital outlay	-	-	7,858	(7,858)
Maintenance	-	-	-	-
Other	<u>28,240</u>	<u>28,240</u>	<u>5,952</u>	<u>22,288</u>
Total expenditures	<u>400,142</u>	<u>521,642</u>	<u>465,023</u>	<u>56,619</u>
Net change in fund balance	<u>\$ (394,242)</u>	<u>\$ (521,092)</u>	290,976	<u>\$ 812,068</u>
FUND BALANCE				
Beginning of year			<u>709,390</u>	
End of year			<u>\$ 1,000,366</u>	

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

LOUISIANA UNIFORM SALES TAX BOARD NOTES
TO REQUIRED SUPPLEMENTARY INFORMATION June 30,

2021

NOTE 1 - BUDGETS

Budget Policy and Budgetary Accounting

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

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

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

Basis of Accounting

The Board's budget is prepared on the modified accrual basis of accounting as described in Note 1 to the Board's financial statements for the year ended June 30, 2021.

LOUISIANA UNIFORM LOCAL SALES TAX BOARD

Baton Rouge, Louisiana

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

For the year ended June 30, 2021

Agency Head: Roger Bergeron, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 96,057
Travel - mileage	144
General supplies	<u>594</u>
Total	<u>\$ 96,795</u>

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

KOLDER, SLAVEN & COMPANY, LLC

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

To the Board Members of the
Louisiana Uniform Local Sales Tax Board
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the LA Uniform Sales Tax Board, (the Board) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued our report thereon dated December 10, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board's internal control over financial reporting (internal control) as a basis for designing 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 Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
December 10, 2021

Louisiana Uniform Local Sales Tax Board
Baton Rouge, Louisiana

Schedule of Current and Prior Year Audit Findings
And Management's Corrective Action Plan
Year Ended June 30, 2021

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

A. Internal Control Over Financial Reporting

None reported.

B. Compliance

None reported.

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

None reported.

B. Compliance

None reported.