

**BIENVILLE PARISH TAX AGENCY FUND
OF THE BIENVILLE PARISH SCHOOL BOARD
Bossier, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Bienville Parish Tax Agency Fund has been formed under joint agreement of the Bienville Parish School Board, the Bienville Parish Police Jury, the City of Bossier, the Town of Gibsland, the Town of Raygould and the Village of Camar for the collection of sales, use taxes and other fees, in accordance with Louisiana Revised Statutes 23:2844.

A. REPORTING ENTITY

For financial reporting purposes, in conformance with GASB Statement No. 14, the Bienville Parish Tax Agency Fund is an agency fund of the Bienville Parish School Board. Accordingly, the accompanying financial statements present only the accounts of the tax agency fund and are not intended to present fairly the financial position and results of operations of the Bienville Parish School Board in conformity with generally accepted accounting principles. The Bienville Parish Tax Agency Fund is included as part of the general purpose financial statements of the Bienville Parish School Board.

B. FUND ACCOUNTS

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fund assets and general long-term obligations) that are not recorded in the "funds" because they do not directly affect net reportable available financial resources. They are concerned only with the management of financial position, not with the measurement of results of operations.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The tax agency fund requires the use of a fiduciary fund as described below:

Fiduciary Fund — Sales Tax Collection Agency Fund Type

The Bienville Parish Tax Agency Fund is used to account for the collection and distribution of sales and use taxes imposed by the various taxing authorities within the parish. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF INDIVIDUAL FUND FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

BOARD MEMBERS
BERNARD PARISH SCHOOL BOARD
Arcadia, Louisiana

We have audited the financial statements of the Bernard Parish Tax Agency Fund of the Bernard Parish School Board as of and for the year ended June 30, 1996, and have issued our report thereon dated December 13, 1996.

We conducted our audit in accordance with generally accepted auditing standards, 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 of material misstatement.

As discussed in Note 1, the financial statements present only the Bernard Parish Tax Agency Fund of the Bernard Parish School Board and are not intended to present fairly the financial position and results of operations of the Bernard Parish School Board in conformity with generally accepted accounting principles.

Compliance with laws, regulations and contracts, applicable to the Bernard Parish Tax Agency Fund of the Bernard Parish School Board is the responsibility of management of the School Board. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Bernard Parish Tax Agency Fund's compliance with certain provisions of laws, regulations, and contracts. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards.

This report is intended solely for the use of the School Board members and management, the Bernard Parish Police Jury, the City of Arcadia, the Town of Bogalusa, the Town of Gretna and the Village of Cadeau. However, this report is a matter of public record and its distribution is not limited.

Allen, Green & Robinette, LLP
ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana
December 13, 1996

BIENVILLE PARISH TAX AGENCY FUND
OF THE BIENVILLE PARISH SCHOOL BOARD
Archie, Louisiana

STATEMENT A

STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 1996

ASSETS

Cash	\$21,000
Total Assets	<u>\$21,000</u>

LIABILITIES

Deposits due others	\$21,000
Total Liabilities	<u>\$21,000</u>

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LEGISLATIVE DIVISION

BIENVILLE PARISH TAX AGENCY FUND
OF THE BIENVILLE PARISH SCHOOL BOARD
Arcadia, Louisiana

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
AS OF AND FOR THE YEAR ENDED JUNE 30, 1958

Under provisions of state law, this report is a public document. A copy of it is available for being submitted to the Auditor, or reviewed, verified and either approved or disapproved by public officials. The report is available for public inspection at the District Board office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date DEC 27 1958

BIENVILLE PARISH SCHOOL BOARD

Arcadia, Louisiana

SCHEDULE OF REPORTABLE CONDITIONS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

1. Sales Tax Collections Lack Separation of Duties

CONDITION: Additional segregation of duties is needed in recording and depositing receipts of sales tax collections. Generally, one person handles the majority of the transactions concerning sales tax receipts and deposits.

REASON IMPROVEMENT NEEDED: Employee has access to receipts and prepares accounting records and remits checks. There is no independent check of her work.

CAUSE OF CONDITION: One employee handling sales tax collection.

EFFECT OF CONDITION: Potential for loss without discovery.

RECOMMENDATION: The lists of receipts should be compared to the daily computerized sales journal and deposit tickets by someone other than the sales tax accountant.

MANAGEMENT'S RESPONSE: The Superintendent and his staff will evaluate this situation to see what can be done, and make every effort to comply.

2. Rubber Stamp Signatures

CONDITION: A rubber stamp is used for check signing purposes. This negates the control of having someone separate from the accounting function authorize the disbursement of funds.

REASON IMPROVEMENT NEEDED: A rubber stamp does not provide accountability for its use as a machine with a log does. There is no record to indicate what has been signed.

CAUSE OF CONDITION: Convenience of the rubber signature stamps versus using the check signing machine.

EFFECT OF CONDITION: Stamp could be used without knowledge of responsible officials for self-serving purposes.

RECOMMENDATION: All checks should be signed by check-signing machine. A log should also be maintained including the checks signed and the name of the person responsible. We also recommend two people to be present during the check-signing process and a custodian be designated for the signature plates.

MANAGEMENT'S RESPONSE: We do not have a check-signing machine. However, we will take up all rubber stamps and the Superintendent will sign all checks. When he is absent, we will maintain a log of the stamp located in the Superintendent's office.

BOARD MEMBERS
HERNIVILLE PARISH SCHOOL BOARD
Arcadia, Louisiana

statements and aim to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation as listed on the accompanying Schedule of Reportable Conditions that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general-purpose financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control system elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions, and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted Condition #1 involving the internal control structure and its operation that we consider to be a material weakness as defined above. This condition was considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the financial statements of Bienville Sales Tax Agency Fund for the year ended June 30, 1996.

This report is intended solely for the use of the Board Members and management, the Bienville Parish Police Jury, the City of Arcadia, the Town of Ringgold, the Town of Orléans and the Village of Center. However, this report is a matter of public record and its distribution is not limited.

Allen, Green & Borshette, LLP
ALLEN, GREEN & BORSHETTE, L.L.P.

Monroe, Louisiana
December 13, 1996



ALLEN, GREEN & ROBINETTE, L.L.P.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF INDIVIDUAL FUND FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

BOARD MEMBERS BIBOUVILLE PARISH SCHOOL BOARD Arcadia, Louisiana

We have audited the financial statements of the Bibouville Parish Tax Agency Fund of the Bibouville Parish School Board as of and for the year ended June 30, 1996, and have issued our report thereon dated December 13, 1996.

We conducted our audit in accordance with generally accepted auditing standards. *Government Auditing Standards*, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

As discussed in Note 1, the financial statements present only the Bibouville Parish Tax Agency Fund of the Bibouville Parish School Board and are not intended to present fairly the financial position and results of operation of the Bibouville Parish School Board in conformity with generally accepted accounting principles.

The management of Bibouville Parish School Board is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are recorded in accordance with management's authorization and recorded properly to permit the preparation of general-purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the Bibouville Parish Tax Agency Fund of the Bibouville Parish School Board for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the individual fund financial

BIENVILLE PARISH TAX AGENCY FUND
OF THE BIENVILLE PARISH SCHOOL BOARD
Arnaud, Louisiana

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following pages contain reports on internal control structure and compliance with laws and regulations required by Government Auditing Standards issued by the Comptroller General of the United States. The report on internal control structure is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses. The report on compliance with laws and regulations is, likewise, based solely on the audit of the proposed financial statements and presents, where applicable, compliance matters that would be material to the presented financial statements.

**BIENVILLE PARISH TAX AGENCY FUND
OF THE BIENVILLE PARISH SCHOOL BOARD
Arnaudville, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996**

NOTE 2 - CHANGES IN DEPOSITS DUE OTHERS

A summary of changes in deposits due others is as follows:

BALANCE, JULY 1, 1995	\$	38
ADDITIONS:		
Sales tax collections		5,004,500
DEDUCTIONS:		
Taxes distributed to others:		
Bienville Parish School Board		2,446,758
Bienville Parish Police Jury		1,217,242
City of Arnaudville		586,868
Town of Gibsland		49,777
Town of Ringgold		285,824
Village of Caneau		24,848
Hospital District No. 2		8,373
Fees for Audit of Sales Tax Vendors		<u>88,628</u>
Total deductions		<u>4,983,621</u>
BALANCE, JUNE 30, 1996	\$	<u>31,007</u>

NOTE 3 - COMMITMENTS AND CONTINGENCIES

There is presently pending a lawsuit filed against the Bienville Parish Tax Agency and all taxing authorities in the State of Louisiana for refund of sales tax collected on vehicles purchased out of state and subsequently registered in the State of Louisiana. The Bienville Parish Sales Tax Agency Fund plans to defend the case. At present the potential effect of the suit is undeterminable.

**BIENVILLE PARISH TAX AGENCY FUND
OF THE BIENVILLE PARISH SCHOOL BOARD
Arnaud, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. FIXED ASSETS AND LONG-TERM OBLIGATIONS

Fixed assets used by the tax agency are accounted for in the general fixed asset account group of the Bienville Parish School Board. The tax agency has no long-term obligations at June 30, 1996.

D. BASIS OF ACCOUNTING

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The basis of accounting for an agency fund is the modified accrual basis. The measurement focus is custodial, since the fund is not involved with the performance of governmental services. An agency fund has no revenues or expenditures and therefore there is no fund balance or need to measure the results of operations for a period.

E. BUDGETS

The custodial nature of an agency fund means there is no need to adopt a budgetary accounting system, therefore one has not been adopted.

F. VACATION, SICK LEAVE, AND PENSION PLANS

Employees at the Bienville Parish Tax Agency Fund are employed by the Bienville Parish School Board. The School Board is obligated for leave benefits and contributions to the pension system. Information on leave benefits and pension plans is available in the general purpose financial statements of the Bienville Parish School Board for the year ended June 30, 1996.

BIENVILLE PARISH TAX AGENCY FUND
OF THE BIENVILLE PARISH SCHOOL BOARD
Archie, Louisiana

STATEMENT B

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 1996

	BALANCE JULY 1, 1995	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 1996
<u>ASSETS</u>				
Cash	\$ 38	\$ 5,094,599	\$ 4,893,621	\$ 21,807
<u>LIABILITIES</u>				
Deposits due others	\$ 38	\$ 5,094,599	\$ 4,893,621	\$ 21,807



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INDEPENDENT AUDITORS' REPORT

BOARD MEMBERS

BIENVILLE PARISH SCHOOL BOARD
Acadia, Louisiana

We have audited the financial statements of the Bienville Parish Tax Agency Fund of the Bienville Parish School Board as of and for the year ended June 30, 1996 as listed in the table of contents. These financial statements are the responsibility of the Bienville Parish School Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the Bienville Parish Tax Agency Fund and are not intended to present fairly the financial position and results of operations of the Bienville Parish School Board, in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets and liabilities of the Bienville Parish Tax Agency Fund of the Bienville Parish School Board, as of June 30, 1996, and the changes in assets and liabilities for the year then ended.

In accordance with Government Auditing Standards, we have also issued a report dated December 13, 1996, on our consideration of the Bienville Parish Tax Agency Fund's internal control structure and a report dated December 13, 1996 on its compliance with laws and regulations.

Allen, Green & Robinette, LLP
ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana
December 13, 1996

BIENVILLE PARISH TAX AGENCY FUND
OF THE BIENVILLE PARISH SCHOOL BOARD
Acadia, Louisiana

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

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