

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

SCHEDULE OF REPORTABLE CONDITIONS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

I. 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 controls 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.

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

STATUS OF PRIOR REPORTABLE CONDITIONS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

1. **Sales Tax Collections Lack Separation of Duties**

See condition #1 on Schedule of Reportable Conditions.

2. **Rubber Stamp System**

This finding has been resolved.

Board Members
Bossierie Parish School Board
Acadia, Louisiana

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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 over financial reporting would not necessarily disclose all weaknesses in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider condition #1 to be a material weakness.

This report is intended for the information of the Board, management, the Bossierie Parish Police Jury, the City of Acadia, the Town of Ringgold, the Town of Gibsland and the Village of Coushatta. However, this report is a matter of public record and its distribution is not limited.

Allen, Green & Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
December 18, 1997

ALLEN, GREEN & COMPANY, LLP

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board Members

Bossier Parish School Board
Acadia, Louisiana

We have audited the financial statements of Bossier Parish Tax Agency Fund of the Bossier Parish School Board as of and for the year ended June 30, 1997, and have issued our report thereon dated December 10, 1997. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

Compliance

As part of obtaining reasonable assurance about whether Bossier Parish Tax Agency Fund of the Bossier Parish School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, accounting principles with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Bossier Parish Tax Agency Fund of the Bossier Parish School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted one certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Bossier Parish Tax Agency Fund of the Bossier Parish School Board's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of reportable conditions.

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

**OTHER REPORT 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 presented financial statements and process, where applicable, compliance matters that would be material to the presented financial statements.

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

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

NOTE 1 - CHANGES IN DEPOSITS AND OTHERS

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

BALANCE, JULY 1, 1996	<u>\$ 20,007</u>
ADDITIONS:	
Sales tax collections	5,343,556
DEDUCTIONS:	
Taxes distributed to others:	
Bienville Parish School Board	2,680,743
Bienville Parish Police Jury	1,382,125
City of Arcadia	511,168
Town of Gibsland	41,878
Town of Bogalusa	310,686
Village of Cadeau	36,895
Hospital District No. 2	2,512
Fee for Audit of Sales Tax Warrants	28,099
Other Expenses (Tax paid in error, tax transfer and tax refunds)	<u>8,660</u>
Total deductions	5,288,706
BALANCE, JUNE 30, 1997	<u>\$ 18,854</u>

NOTE 5 - 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. It present the potential effect of the suit is indeterminate.

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

**NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Budgets are 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, 1997.

**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, 1997**

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 Arnaud, the Town of Cibolaud, the Town of Kungold and the Village of Cantor for the collection of sales, use taxes and other fees, in accordance with Louisiana Revised Statutes 13:2844.

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 "fund" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position and 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 concerned in nature (assets equal liabilities) and does not involve measurement of results of operations.

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, 1997.

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

STATEMENT B

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 1997

	Balance July 1, 1996	Additions	Deductions	Balance June 30, 1997
ASSETS				
Cash	<u>\$11,000</u>	<u>\$5,247,556</u>	<u>\$5,246,708</u>	<u>\$18,855</u>
LIABILITIES				
Deposits due others	<u>\$11,000</u>	<u>\$5,247,556</u>	<u>\$5,246,708</u>	<u>\$18,855</u>

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

STATEMENT A

STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 1997

ASSETS

Cash \$10000

Total Assets \$10000

LIABILITIES

Deposits due others \$10000

Total Liabilities \$10000

ALLEN, GREEN & COMPANY, LLP

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Tom Green, CPA

Marge Williamson, CPA

INDEPENDENT AUDITORS' REPORT

Board Members
Bossier Parish School Board
Acadia, Louisiana

We have audited the financial statements of the Bossier Parish Tax Agency Fund of the Bossier Parish School Board as of and for the year ended June 30, 1997 as listed in the table of contents. These financial statements are the responsibility of the Bossier 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 misstatement. 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 Bossier Parish Tax Agency Fund and do not intended to present fairly the financial position and results of operations of the Bossier 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 Bossier Parish Tax Agency Fund of the Bossier Parish School Board, as of June 30, 1997, 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 30, 1997, on our consideration of the Bossier Parish Tax Agency Fund's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grants.

Allen, Green & Company, LLP
ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
December 18, 1997

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

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

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

FINANCIAL STATEMENTS
 AND
 INDEPENDENT AUDITORS' REPORT
 AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Reference Date: 3-1-98