

WAREHOUSE SALES AND USE TAX COMMISSION

SCHEDULE OF FINDINGS

For the Year Ended June 30, 1997

|                        |  |
|------------------------|--|
| Criteria:              | Adequate segregation of duties is essential to proper internal control.        |
| Condition:             | The segregation of duties is inadequate to provide effective internal control. |
| Cause:                 | The condition is due to economic and space limitations.                        |
| Effect:                | Not determined.  |
| Recommendation:        | No action is recommended.  |
| Management's response: | We concur in the finding.  |

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 matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all matters 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 the above reportable conditions to be a material weakness.

This report is intended for the information of the Board of Commissioners and management. However, this report is a matter of public record and its distribution is not limited.

August 23, 1997

*Wells, Bryson & Co.*

**INDEPENDENT AUDITORS' 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 of Commissioners  
Mortgage Sales and Use Tax Commission  
Baton Rouge, Louisiana

We have audited the general purpose financial statements of Mortgage Sales and Use Tax Commission, as of and for the year ended June 30, 1997, and have issued our report thereon dated August 22, 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.

**Compliance**

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance 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 Commission'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 a 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 Commission'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 findings.

**WAREHOUSE SALES AND USE TAX COMMISSION**

**SCHEDULE OF GENERAL FUND EXPENDITURES - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 1997**

|  | Budget            | Actual            | Variance -<br>Favorable<br>(Unfavorable) |
|--|-------------------|-------------------|--|
| <b>Current:</b>                        |                   |                   |  |
| <b>General government:</b>             |                   |                   |  |
| <b>Personal services:</b>              |                   |                   |  |
| Salaries                               | \$ 75,320         | \$ 68,758         | \$ 6,564                                 |
| Retirement                             | 4,125             | 4,121             | 4  |
| Group health insurance                 | 10,888            | 6,921             | 3,977                                    |
| Payroll taxes                          | 1,537             | 991               | 566                                      |
| Workers' compensation insurance        | 550               | 680               | ( 130)                                   |
| Unemployment insurance                 | 1,000             | 1,485             | ( 485)                                   |
| <b>Total personal services</b>         | <u>\$ 83,420</u>  | <u>\$ 82,956</u>  | <u>\$ 464</u>                            |
| <b>Operating services:</b>             |                   |                   |  |
| Dues and subscriptions                 | \$ 1,000          | \$ 1,060          | \$ ( 60)                                 |
| Printing forms                         | 2,500             | 3,709             | ( 1,209)                                 |
| Postage and permits                    | 5,500             | 5,804             | ( 304)                                   |
| Telephone                              | 2,800             | 3,084             | ( 284)                                   |
| Office rent and utilities              | 8,700             | 8,076             | 624                                      |
| Repairs and maintenance                | 3,200             | 2,660             | 540                                      |
| Office supplies                        | 3,000             | 2,322             | 678                                      |
| Computer upgrades                      | 3,000             | 1,076             | 1,924                                    |
| <b>Total operating services</b>        | <u>\$ 28,700</u>  | <u>\$ 27,791</u>  | <u>\$ 909</u>                            |
| <b>Professional services:</b>          |                   |                   |  |
| Bank charges                           | \$ 50             | \$ 21             | \$ 29                                    |
| Legal                                  | 4,800             | 2,133             | 2,667                                    |
| Audit                                  | 2,800             | 2,900             | 900                                      |
| Insurance                              | 3,400             | 3,150             | 250                                      |
| <b>Total professional services</b>     | <u>\$ 10,850</u>  | <u>\$ 7,804</u>   | <u>\$ 3,046</u>                          |
| <b>Travel, education and audit</b>     | <u>\$ 5,000</u>   | <u>\$ 4,811</u>   | <u>\$ 189</u>                            |
| <b>Capital outlay</b>                  |                   |                   |  |
| <b>Equipment</b>                       | <u>\$ 5,800</u>   | <u>\$ 4,100</u>   | <u>\$ 1,700</u>                          |
| <b>Furniture</b>                       | <u>2,800</u>      | <u>-</u>          | <u>2,800</u>                             |
| <b>Total capital outlay</b>            | <u>\$ 8,600</u>   | <u>\$ 4,100</u>   | <u>\$ 4,500</u>                          |
| <b>Total general fund expenditures</b> | <u>\$ 146,800</u> | <u>\$ 127,492</u> | <u>\$ 19,308</u>                         |

SUPPLEMENTARY SCHEDULE

## NOTES TO FINANCIAL STATEMENTS

The assets and liabilities of the deferred compensation plan increased to \$17,830 as of June 30, 1997, from \$13,993 as of June 30, 1996, which represents current contributions and the changes in market value.

### Note 8. Risk Management

The Commission is exposed to various risks of loss related to thefts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission carries commercial insurance for all risks of loss, including workers' compensation and employee health and accident insurance. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

NOTES TO FINANCIAL STATEMENTS

All assets of the plan, including all deferred amounts, property and rights purchased with deferred amounts, and all income attributable to such deferred amounts, property or rights, shall remain (until made available to the participant or beneficiary) solely the property and rights of the Commission (without being restricted to the provision of benefits under the plan), subject only to the claims of creditors of the Commission. Contracts and other evidences of the investments of all assets under the plan are registered in the name of the Commission which is the owner and beneficiary thereof. The rights of the participant created by the plan in the name of a general creditor of the Commission, and in an amount equal to the fair market value of the deferred account maintained with respect to the participant. The participant's rights are no greater than those of a general creditor of the Commission and that in any suit for an accounting, to impose a constructive trust, or to recover any sums under the plan, the participant's rights are united to those of a general creditor of the Commission.

Investments are managed by the plan's trustee which offer a number of funds. The choice of the investment option(s) is made by the individual employee.

Note T. Changes in Agency Fund Balances

The following is a summary of the sales and use tax collected and paid to the constituents and the General Fund of the Commission for the year ended June 30, 1997:

|   |                             |
|---|-----------------------------|
| <b>Collections:</b>                         |                             |
| Sales and use tax collections               | <u>\$ 11,962,782</u>        |
| <b>Remittances:</b>                         |                             |
| Taxes distributed:                          |                             |
| Manassas Parish School Board                | \$ 3,818,178                |
| Manassas Parish Police Jury                 | 3,223,218                   |
| Manassas Parish Sheriff                     | 1,272,647                   |
| City of Bastrop                             | 3,536,140                   |
| Village of Mos Rouge                        | 169,143                     |
| Village of Bossin                           | 30,435                      |
| Village of Colleton                         | 9,285                       |
| Refunded sales and use tax                  | 8,000                       |
| Collection costs reimbursed to General Fund | 1,243                       |
| Audit recovery fee                          | <u>4,322</u>                |
| <b>Total remittances:</b>                   | <b><u>\$ 11,962,782</u></b> |

## NOTES TO FINANCIAL STATEMENTS

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from Commission funds are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or jointed months that produces the highest average. Employees who terminate work at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees' Retirement System of Louisiana, 7037 Office Park Boulevard, Baton Rouge, Louisiana 70808, or by calling (504)925-4810.

### Funding Policy:

Under Plan A, members are required by state statute to contribute 6.25% of their annual covered salary and the Commission is required to contribute at an actuarially determined rate. The current rate is 6.25% of annual covered payroll. Contributions to the System also include 1/4 of 1% (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls or such parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Commission are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Commission's contributions to the System under Plan A for the years ended June 30, 1991, 1996, and 1995, were \$4,121, \$4,582 and \$4,418, respectively, equal to the required contributions for each year.

### Note 6. Deferred Compensation Plan

The Commission offers its full-time employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency except for a one-time withdrawal which is subject to certain restrictions.



## NOTES TO FINANCIAL STATEMENTS

At June 30, 1997, the carrying amount and bank balance of the Commission's deposits were \$277,339 and \$180,318, respectively. Of the bank balance, \$100,000 was covered by federal depository insurance (Category I) and \$180,318 was covered by the market value of collateral held by a third party bank's trust department in the joint name of the Commission and the pledging fiscal agent bank.

There were no repurchase or reverse repurchase agreements at June 30, 1997.

### Note 3. Changes in General Fixed Assets

A summary of the changes in the General Fixed Assets Account Group is as follows:

|                         | Balance<br>June 30,<br>1996 | Additions | Balance<br>June 30,<br>1997 |
|-------------------------|-----------------------------|-----------|-----------------------------|
| Furniture and equipment | \$ 58,172                   | \$ 4,360  | \$ 58,292                   |

### Note 4. Restricted Cash and Liabilities Payable from Same

Restricted cash of \$208,879 of the General Fund represents sales taxes paid under protest of \$200,000 plus interest earned on such amount. The amount paid under protest and the interest earned thereon have been deposited into a separate bank account as required by state law.

### Note 5. Pension Plan

The Administrator and full time employees of the Commission are members of the Municipal Employees' Retirement System of Louisiana (the "System"). This system is a cost-sharing (multiple-employer), defined benefit pension plan administered by a separate board of trustees.

The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Commission are members of Plan A.

## NOTES TO FINANCIAL STATEMENTS

### Fixed Assets:

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in the governmental fund type. No depreciation has been provided on such assets.

All fixed assets are valued at historical cost. Repairs and maintenance are recorded as expenditures; renewals and betterments are capitalized.

### Revenue Recognition:

Fees for the collection of sales and use taxes are recorded when the Commission is notified to the funds which is normally the same month the taxes are collected by the Commission.

### Accumulated Compensated Absences:

No liability is recorded for accruing accumulating rights to receive vacation or sick pay benefits.

### Note 2. Cash and Investments

The following is a summary of cash and investments at June 30, 1997:

|                                  | General           | Agency           | Totals            |
|----------------------------------|-------------------|------------------|-------------------|
| Interest-bearing demand deposits | \$ 39,497         | \$ -             | \$ 39,497         |
| Time deposits                    | 223,819           | -                | 223,819           |
| Investments                      | -                 | 17,810           | 17,810            |
| Pony cash                        | <u>100</u>        | <u>-</u>         | <u>100</u>        |
|                                  | <u>\$ 273,416</u> | <u>\$ 17,810</u> | <u>\$ 291,226</u> |

The deposits are stated at cost, which approximates market value. Under state law, the 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 jointly in the name of the pledging fiscal agent bank and the Commission in a holding or custodial bank that is mutually acceptable to both parties.

## NOTES TO FINANCIAL STATEMENTS

### Basis of Accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental fund type is 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. The operating statement of this fund type presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by the governmental and fiduciary fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

### Budgets and Budgetary Accounting:

The budget for the General Fund is proposed by the Administrator and formally adopted by the Commissioners. The annual budget is prepared in accordance with the basis of accounting utilized by the fund. Budgetary amendments, involving the transfer of funds from one function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated, require approval of the Commissioners. All annual appropriations lapse at fiscal year end.

### Cash:

Cash includes amounts in interest-bearing demand deposits and is reported at net book value - the June 30, 1997, book balance plus deposits in transit and less checks that have not cleared the bank as of that date.

Under state law, the Commission may deposit funds in demand deposits, interest-bearing demand deposits or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

### Investments:

Under state law, the Commission may invest in United States bonds, treasury notes or certificates. These are classified as investments if their original maturities exceed 90 days. Investments are stated at cost, except for investments in the Deferred Compensation Agency Fund, which are reported at market.

## NOTES TO FINANCIAL STATEMENTS

### Fund Accounting:

The accounts of the Commission are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund or account group are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, fund equity, revenues and expenditures. The following fund types and group of accounts are used by the Commission:

#### Governmental fund type:

##### General Fund:

The General Fund is the general operating fund of the Commission. All financial resources are accounted for in the General Fund.

#### Fiduciary fund type:

##### Sales and Use Tax Collection Agency Fund:

The Sales and Use Tax Collection Agency Fund is used to account for the collection of sales and use taxes imposed by the various taxing authorities within Morehouse Parish.

##### Deferred Compensation Agency Fund:

The Deferred Compensation Agency Fund is used to account for assets held by the Commission in a trustee or agency capacity.

The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

#### General fund assets:

##### General Fund Assets Account Group:

The General Fund Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes.

### Total Columns on Combined Statements - Overview:

The total columns on the combined balance sheet is captioned "memorandum only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

## MORNINGHOUSE SALES AND USE TAX COMMISSION

### NOTES TO FINANCIAL STATEMENTS

#### Note 1. Organization and Summary of Significant Accounting Policies

Morninghouse Sales and Use Tax Commission (the "Commission") was created by joint agreement of the sales and use taxing bodies of Morninghouse Parish, Louisiana, on May 3, 1992, pursuant to Article VII, Section 3, of the Louisiana Constitution. The purpose of the Commission is to provide joint collection, enforcement and administration of sales and use tax within Morninghouse Parish. The governing body of the Commission consists of a nine member Board of Commissioners which are appointed as follows:

|                                  | Members<br>Appointed |
|----------------------------------|----------------------|
| Morninghouse Parish School Board | 2                    |
| Morninghouse Parish Police Jury  | 1                    |
| Sheriff of Morninghouse Parish   | 1                    |
| City of Bastrop                  | 2                    |
| Village of Mer Rouge             | 1                    |
| Village of Bossier               | 1                    |
| Village of Calhoun               | 1                    |

The financial statements of the Commission have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Commission's accounting policies are described below:

#### Financial Reporting Entity:

The Commission is a jointly appointed stand-alone government, as it meets neither the criteria of a primary government, nor a component unit, since its governing board is not elected, and it is not financially accountable or fiscally dependent upon any of the constituent governments.

WAREHOUSE SALES AND USE TAX COMMISSION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
For the Year Ended June 30, 1997

|                                      | Budget            | Actual            | Variance -<br>Favorable<br>(Unfavorable) |
|--------------------------------------|-------------------|-------------------|--|
| <b>Revenues:</b>                     |                   |                   |  |
| Charges for services                 | \$ 144,000        | \$ 142,649        | \$( 1,351)                               |
| Interest and miscellaneous           | <u>2,000</u>      | <u>3,273</u>      | <u>3,273</u>                             |
|                                      | <u>\$ 146,000</u> | <u>\$ 145,922</u> | <u>\$ 2,232</u>                          |
| <b>Expenditures:</b>                 |                   |                   |  |
| <b>Current:</b>                      |                   |                   |  |
| <b>General government:</b>           |                   |                   |  |
| Personal services                    | \$ 60,480         | \$ 82,875         | \$ 22,395                                |
| Operating services                   | 28,700            | 27,790            | (910)                                    |
| Professional services                | 18,850            | 7,804             | (11,046)                                 |
| Travel, education and audit          | 3,000             | 4,811             | 1,811                                    |
| Capital outlay                       | <u>3,000</u>      | <u>4,350</u>      | <u>1,350</u>                             |
|                                      | <u>\$ 116,030</u> | <u>\$ 127,490</u> | <u>\$ 11,460</u>                         |
| <br>                                 |                   |                   |  |
| Excess of revenues over expenditures | \$ -              | \$ 28,782         | \$ 28,782                                |
| <br>                                 |                   |                   |  |
| Fund balance - beginning             | <u>30,000</u>     | <u>43,815</u>     | <u>13,815</u>                            |
| <br>                                 |                   |                   |  |
| Fund balance - ending                | <u>\$ 30,000</u>  | <u>\$ 64,287</u>  | <u>\$ 34,287</u>                         |

See notes to financial statements.

**WAREHOUSE SALES AND USE TAX COMMISSION**

**COMBINED BALANCE SHEET - FUND TYPES AND ACCOUNT GROUP**  
**June 30, 1987**

|  | Governmental<br>Fund Type | Fiduciary<br>Fund Type | Account<br>Group<br>General | Totals -<br>(Memo-<br>units Only) |
|--|---------------------------|------------------------|-----------------------------|-----------------------------------|
|  | General                   | Agency                 | Fixed Assets                |                                   |
| <b>ASSETS</b>                                    |                           |                        |                             |                                   |
| Cash (Notes 1 and 2)                             | \$ 28,997                 | \$ -                   | \$ -                        | \$ 28,997                         |
| Investments (Notes 1 and 2)                      | 25,000                    | 17,838                 | -                           | 42,838                            |
| Restricted asset:                                |                           |                        |                             |                                   |
| Cash (Notes 1 and 2)                             | 208,839                   | -                      | -                           | 208,839                           |
| General fixed assets (Notes 1 and 3)             | -                         | -                      | 58,292                      | 58,292                            |
| Total assets                                     | <u>\$ 273,426</u>         | <u>\$ 17,838</u>       | <u>\$ 58,292</u>            | <u>\$ 349,556</u>                 |
| <b>LIABILITIES, EQUITY AND<br/>OTHER CREDITS</b> |                           |                        |                             |                                   |
| <b>Liabilities:</b>                              |                           |                        |                             |                                   |
| Payable from restricted asset (Note 4)           | \$ 208,839                | \$ -                   | \$ -                        | \$ 208,839                        |
| Deferred compensation benefits<br>(Note 6)       | -                         | 17,838                 | -                           | 17,838                            |
| Total liabilities                                | <u>\$ 208,839</u>         | <u>\$ 17,838</u>       | <u>\$ -</u>                 | <u>\$ 226,677</u>                 |
| Investment in general fixed assets               | \$ -                      | \$ -                   | \$ 58,292                   | \$ 58,292                         |
| Fund balance - unreserved and<br>undesignated    | 64,597                    | -                      | -                           | 64,597                            |
| Total equity and other credits                   | <u>\$ 64,597</u>          | <u>\$ -</u>            | <u>\$ 58,292</u>            | <u>\$ 122,889</u>                 |
| Total liabilities, equity and other<br>credits   | <u>\$ 273,426</u>         | <u>\$ 17,838</u>       | <u>\$ 58,292</u>            | <u>\$ 349,556</u>                 |

See notes to financial statements.

GENERAL PURPOSE FINANCIAL STATEMENTS  
(COMBINED STATEMENTS - OVERVIEW)



Our audit was made for the purpose of forming an opinion on the general-purpose financial statements of Merchandise Sales and Use Tax Commission, taken as a whole. The accompanying financial information listed as a supporting schedule in the table on contents is presented for the purpose of additional analysis and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects, in relation to the general-purpose financial statements taken as a whole.

August 22, 1997

*Attest, PricewaterhouseCoopers*

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS**

Board of Commissioners  
Mortgage Sales and Use Tax Commission  
Burrup, Louisiana

We have audited the accompanying general-purpose financial statements of Mortgage Sales and Use Tax Commission, as of and for the year ended June 30, 1997, as listed in the table of contents. These general-purpose financial statements are the responsibility of the management of Mortgage Sales and Use Tax Commission. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Governor's 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 general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Mortgage Sales and Use Tax Commission, as of June 30, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Governor's Auditing Standards*, we have also issued our report dated August 22, 1997, on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

## CONTENTS

|   | Page(s) |
|---|---------|
| INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS  | 1 and 2 |
| GENERAL-PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS<br>- OVERVIEW)  |         |
| Combined balance sheet - fund types and account group   | 3       |
| Statement of revenues, expenditures and changes in fund balance -<br>budget and actual - general fund   | 4       |
| Notes to financial statements   | 5 - 12  |
| SUPPORTING SCHEDULE   |         |
| Schedule of general fund expenditures - budget and actual   | 13      |
| INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL<br>CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF<br>FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH<br>GOVERNMENT ACCOUNTING STANDARDS | 14 - 15 |
| SCHEDULE OF FINDINGS  | 16      |

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**WAREHOUSE SALES AND USE TAX COMMISSION  
BASTROP, LOUISIANA**  
**FINANCIAL REPORT**  
**JUNE 30, 1997**

This report was prepared by the  
Report to the Board of Directors. A  
copy of this report is being furnished  
to the Board of Directors, and to  
any and all other interested parties.  
The report is prepared for  
public inspection at the Bastrop  
House office of the Legislative Auditor  
and, where appropriate, at the  
office of the parish clerk of court.

Release Date: NOV 05 1997

**HILL, INZINA & COMPANY**

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