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**JACKSON PARISH SALES TAX COLLECTION AGENCY**  
**Jonesboro, Louisiana**

**General Purpose Financial Statements**  
**As of and for the Year Ended June 30, 1999**  
**With Supplemental Information Schedule**

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.

**OCT 20 1999**

Release Date \_\_\_\_\_

**KENNETH D. FOLDEN & CO.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

302 EIGHTH STREET, JONESBORO, LA 71251  
(318) 259-7316  
FAX (318) 259-7315

**Jackson Parish Sales Tax Collection Agency  
Jonesboro, Louisiana**

**General Purpose Financial Statements  
As of and for the Year Ended June 30, 1999  
With Supplemental Information Schedule**

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# Kenneth D. Folden & Co.

Kenneth D. Folden, CPA

Certified Public Accountants

Ted W. Sanderlin, CPA

Members  
Society of Louisiana  
Certified Public Accountants

302 Eighth Street  
Jonesboro, LA 71251  
(318) 259-7316  
FAX (318) 259-7315

Members  
American Institute of  
Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

Mr. Robert Schmidt, President  
and Members of the Board of Commissioners  
Jackson Parish Sales Tax Collection Agency  
Jonesboro, Louisiana

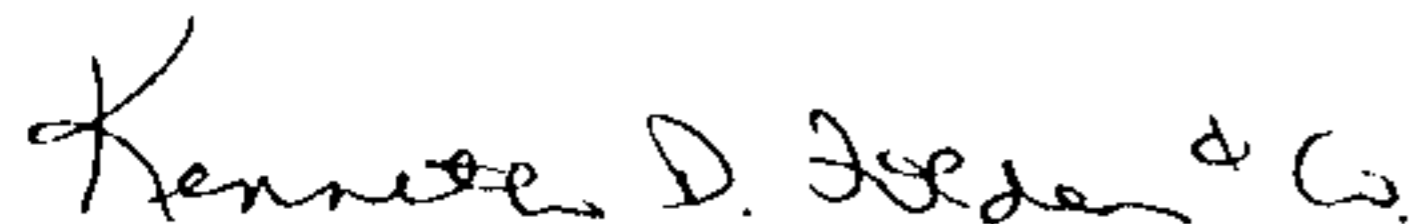
We have audited the accompanying general purpose financial statements of the Jackson Parish Sales Tax Collection Agency, Jonesboro, Louisiana, as of and for the year ended June 30, 1999. These general purpose financial statements are the responsibility of the Jackson Parish Sales Tax Collection Agency, Jonesboro, Louisiana, management. 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 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 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 in the first paragraph present fairly, in all material respects, the financial position of the Jackson Parish Sales Tax Collection Agency, Jonesboro, Louisiana, as of June 30, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Governmental Auditing Standards, we have also issued our report dated September 2, 1999, on our consideration of the Jackson Parish Sales Tax Collection Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The financial information listed as the supporting schedule in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Jackson Parish Sales Tax Collection Agency. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements.



KENNETH D. FOLDEN & CO.  
Certified Public Accountants

Jonesboro, Louisiana  
September 2, 1999

**Jackson Parish Sales Tax Collection Agency**  
**Jonesboro, Louisiana**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**Combined Balance Sheet, June 30, 1999**

GOVERNMENTAL FUND	FIDUCIARY FUND	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
GENERAL FUND	SALES TAX COLLECTIONS AGENCY FUND	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	

**ASSETS AND OTHER DEBITS**

## Assets:

Cash and cash equivalents	\$	7,556	\$	2,886	\$	10,442
Furniture and equipment				20,513		20,513
Amount to be provided for retirement of general long-term obligations					2,624	2,624
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$</b>	<b>7,556</b>	<b>\$</b>	<b>2,886</b>	<b>\$</b>	<b>20,513</b>
					<b>2,624</b>	<b>\$</b>
						<b>33,579</b>

**LIABILITIES, EQUITY, AND  
OTHER CREDITS**

## Liabilities:

Accounts payable	\$	1,103			\$	1,103
Deferred revenues		4,367				4,367
Due to taxing bodies and others			2,886			2,886
Payroll deductions and withholdings payable		2,086				2,086
Compensated absences payable					2,624	2,624
<b>Total Liabilities</b>		<b>7,556</b>	<b>2,886</b>	<b>NONE</b>	<b>2,624</b>	<b>13,066</b>

## Equity and Other Credits:

Investment in general fixed assets				20,513		20,513
<b>Total Equity and Other Credits</b>		<b>NONE</b>	<b>NONE</b>	<b>20,513</b>	<b>NONE</b>	<b>20,513</b>

**TOTAL LIABILITIES, EQUITY  
AND OTHER CREDITS**

	<b>\$</b>	<b>7,556</b>	<b>\$</b>	<b>2,886</b>	<b>\$</b>	<b>20,513</b>
					<b>2,624</b>	<b>\$</b>
						<b>33,579</b>

The accompanying notes are an integral part of this statement.

**Jackson Parish Sales Tax Collection Agency**  
**Jonesboro, Louisiana**  
**GOVERNMENTAL FUND TYPE - GENERAL FUND**  
**Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances - Budget**  
**(GAAP Basis) and Actual**  
**For the Year Ended June 30, 1999**

**Statement B**

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Fees, charges, and commissions for services	\$ 73,910	\$ 81,122	\$ 7,212
Interest	130	123	(7)
Hotel and motel taxes		3,668	3,668
Total revenues	74,040	84,913	10,873
<b>EXPENDITURES</b>			
<b>General and administrative:</b>			
Salaries and related benefits	43,157	41,650	1,507
Accounting and audit fees	7,000	4,715	2,285
Insurance	3,413	4,007	(594)
Operating services	13,200	12,600	600
Hotel and motel tax payments		3,277	(3,277)
Rent	3,300	3,300	
Seminars and conventions	1,900	1,640	260
Capital outlay	2,070	13,724	(11,654)
Total expenditures	74,040	84,913	(10,873)
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	NONE	NONE	NONE
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	NONE	NONE	NONE
<b>FUND BALANCE AT END OF YEAR</b>	NONE	NONE	NONE

The accompanying notes are an integral part of this statement.

**Jackson Parish Sales Tax Collection Agency  
Jonesboro, Louisiana**

**Notes to the Financial Statements  
As of and for the Year Ended June 30, 1999**

**INTRODUCTION**

As provided by Louisiana Revised Statute 33:2711 (C), the Jackson Parish Sales Tax Collection Agency serves as the collector of sales and use taxes for the parish. The Agency is governed by a Board of Commissioners comprised of five members; two of the members are selected from the Jackson Parish School Board, one from the Jackson Parish Police Jury and one each from the municipalities of Jonesboro, and Hodge, Louisiana, in accordance with a joint intergovernmental agreement among the agencies. The commissioners serve for indefinite terms at the pleasure of the taxing authority appointing them. The members of the Board serve without benefit of compensation. The Jackson Parish Sales Tax Collection Agency has one full-time employee, the Tax Administrator, appointed by the Board of Commissioners. The Agency also employs one additional person on a part-time basis.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying general purpose financial statements of the Jackson Parish Sales Tax Collection Agency have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**B. REPORTING ENTITY**

Governmental Accounting Standards Board Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The Jackson Parish Sales Tax Collection Agency was created as a political subdivision under the provisions of Louisiana Revised Statute 33:2711 (C). Members of the Board of Commissioners are appointed by taxing authorities imposing sales taxes within the parish and are solely accountable for fiscal matters, which include fiscal management for controlling the collection and disbursement of funds. Additionally, the agency is the collector for all sales and use taxes within the parish. Based on the above, the Jackson Parish Sales Tax Collection Agency was determined to be a separate governmental reporting entity. The Jackson Parish Sales Tax Collection Agency includes all funds, account groups, activities, et cetera, that are within the primary responsibility of the agency. Certain units of local government over which the agency exercises no primary responsibility, such as the Jackson Parish Police Jury, School Board, Assessor, Clerk of Court, municipalities within the parish, and other independently elected officials are excluded from the accompanying general purpose financial statements. These local governments are neither controllable by nor answerable to the Jackson Parish Sales Tax Collection Agency. Further, their operations do not require the approval of the agency nor is the agency legally or morally responsible for their actions. They are considered separate reporting entities and issue financial statements separate from those of the Jackson Parish Sales Tax Collection Agency.

**C. FUND ACCOUNTING**

The Jackson Parish Sales Tax Collection Agency uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

**Jackson Parish Sales Tax Collection Agency**  
**Jonesboro, Louisiana**  
**Notes to the Financial Statements (Continued)**

**C. FUND ACCOUNTING (Continued)**

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable financial resources.

Funds of the Jackson Parish Sales Tax Collection Agency are classified into two categories: governmental and fiduciary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

**Governmental Fund**

A governmental fund accounts for the Jackson Parish Sales Tax Collection Agency's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. The governmental fund of the agency is a:

**General Fund**--the general operating fund of the Jackson Parish Sales Tax Collection Agency used to account for all financial resources of the agency.

**Fiduciary Funds**

Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Jackson Parish Sales Tax Collection Agency. The fiduciary fund of the agency is an:

**Agency fund**--accounting for assets held by the agency on behalf of others as its agent. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**D. BASIS OF ACCOUNTING**

The accounting and financial 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 are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds. The governmental fund uses the following practices in recording revenues and expenditures:

**Revenues**

*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 that 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.*

Fees, charges, and commissions for services are recorded when the Jackson Parish Sales Tax Collection Agency is entitled to the funds.

Substantially all other revenues are recorded when received.

**Jackson Parish Sales Tax Collection Agency  
Jonesboro, Louisiana  
Notes to the Financial Statements (Continued)**

**D. BASIS OF ACCOUNTING (Continued)**

**Expenditures**

Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred.

The Sales Tax Collection Agency Fund is prepared on the cash basis of accounting.

**E. BUDGETS**

For the year ended June 30, 1999, the following budget practices were utilized:

The proposed budgets were made available for public inspection prior to being legally adopted. All appropriations lapse at year end. Budgeted amounts included in the accompanying financial statements include the original adopted budget.

**F. ENCUMBRANCES**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Jackson Parish Sales Tax Collection Agency.

**G. CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in short-term time deposits. Under state law, the Jackson Parish Sales Tax Collection Agency may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Jackson Parish Sales Tax Collection Agency may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At June 30, 1999, the Jackson Parish Sales Tax Collection Agency had no investments.

**H. FIXED ASSETS**

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets of the agency are valued at historical cost.

**I. COMPENSATED ABSENCES**

Employees earn from two weeks to four weeks of vacation leave annually, depending upon length of service; employees earn five days of sick leave annually. The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the governmental funds when leave is actually taken.



**Jackson Parish Sales Tax Collection Agency  
Jonesboro, Louisiana  
Notes to the Financial Statements (Continued)**

**J. LONG-TERM OBLIGATIONS**

Long-term obligations for compensated absences expected to be financed from governmental funds are reported in the general long-term obligations account group.

**K. TOTAL COLUMNS OF COMBINED STATEMENTS**

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**2. CASH AND CASH EQUIVALENTS**

At June 30, 1999, the Jackson Parish Sales Tax Collection Agency has cash and cash equivalents (book balances) totaling as follows:

Demand deposits including interest-bearing	<u>\$</u>	<u>10,442</u>
	<u>\$</u>	<u>10,442</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the related bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1999, the Jackson Parish Sales Tax Collection Agency has \$455,559 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$321,485 of pledged assets held by the custodial bank in the name of the fiscal agent bank (GASB Category 3), which results in \$34,074 being unsecured.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 30:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

**3. CHANGES IN GENERAL LONG-TERM OBLIGATIONS**

The following is a summary of the long-term obligation transactions for the year ended June 30, 1999:

		<b>Compensated Absences</b>
Long-term obligations payable at June 30, 1998	\$	1,831
Additions		2,719
Deductions		<u>(1,926)</u>
Long-term obligations payable at June 30, 1999	<u>\$</u>	<u>2,624</u>

**Jackson Parish Sales Tax Collection Agency  
Jonesboro, Louisiana  
Notes to the Financial Statements (Continued)**

**4. COMPENSATED ABSENCES**

At June 30, 1999, the employees of the Jackson Parish Sales Tax Collection Agency have accumulated and vested \$2,482 of employee leave benefits, which was computed in accordance with GASB Codification Section C60; these benefits are recorded within the general long-term obligations account group.

**5. FIXED ASSETS**

The changes in general fixed assets follow:

	Balance July 1, 1998	Additions	Deletions	Balance June 30, 1999
Furniture and equipment	\$ 15,312	\$ 13,724	\$ (8,523)	\$ 20,513
Total	<u>\$ 15,312</u>	<u>\$ 13,724</u>	<u>\$ (8,523)</u>	<u>\$ 20,513</u>

**6. PENSION PLANS**

**Parochial Employees Retirement System**

The sole employee of the Jackson Parish Sales Tax Collection Agency is a member of the Parochial Employees Retirement System of Louisiana (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefits provisions. The employee of the agency is a member of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part by the Jackson Parish Sales Tax Collection Agency 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 percent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980.

Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with 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 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 Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

**Jackson Parish Sales Tax Collection Agency  
Jonesboro, Louisiana  
Notes to the Financial Statements (Continued)**

**6. PENSION PLANS (Continued)**

Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the agency is required to contribute at an actuarially determined rate. The rate was 7.75 percent for the year ending June 30, 1999, of the covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each 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 agency 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 agency's contributions to the System under Plan A for the years ending June 30, 1999, 1998 and 1997, were \$2,948, \$2,390 and \$2,125, respectively, equal to the required contributions for each year.

**7. LITIGATION AND CLAIMS**

At June 30, 1999, the Jackson Parish Sales Tax Collection Agency is involved in one class action suit. Any potential liability arising from the suit would be a liability of the respective taxing bodies for which the agency handles collections and not a liability of the Jackson Parish Sales Tax Collection Agency.

**8. YEAR 2000 COMPLIANCE**

The worldwide challenge facing organizations, commonly referred to as the Year 2000 (Y2K) issue, is the result of problems that may be encountered with date-related transactions on systems that have historically recognized years using two digits vs. four digits, e.g. 98 versus 1998. These systems will potentially recognize the "00" as the year 1900 instead of 2000.

On the surface, the Y2K problem sounds simple enough; however, the implications of this problem are far reaching and could impact a full range of business services and activities.

The Jackson Parish Sales Tax Collection Agency has conducted a study of its own systems and operations. Based on this study, the Jackson Parish Sales Tax Collection Agency has initiated a project to take all necessary and reasonable steps to get the mission critical systems and operations Y2K compliant in a timely manner.

The total costs of the Y2K efforts are immaterial and as of June 30, 1999, it has not been necessary for the Jackson Parish Sales Tax Collection Agency to expend any funds toward making its systems year 2000 compliant.

The assessment of the costs of the Y2K compliance effort, and the timetable for the planned completion of the internal Y2K modifications, are management's estimates. The estimates were based on numerous assumptions as to future events. There can be no guarantee that these estimates will prove accurate, and actual results could differ from those estimated if these assumptions prove inaccurate. Additionally, there can be no absolute guarantee that significant third parties will successfully and timely convert their systems.

**Jackson Parish Sales Tax Collection Agency  
Jonesboro, Louisiana  
SUPPLEMENTAL INFORMATION SCHEDULE  
As of and for the Year Ended June 30, 1999**

**FIDUCIARY FUND TYPE - AGENCY FUND**

**SALES TAX COLLECTION AGENCY FUND**

**Louisiana Revised Statute 33:2711 (C) provides that the agency shall be authorized to serve as the collector of sales and use taxes in Jackson Parish. The Sales Tax Collection Agency Fund is used to account for the collection and distribution of these taxes to the appropriate taxing bodies.**

**Jackson Parish Sales Tax Collection Agency  
Jonesboro, Louisiana**

**FIDUCIARY FUND - SALES TAX COLLECTION AGENCY FUND  
Schedule of Changes in Deposits Due Others  
For the Year Ended June 30, 1999**

<b>DEPOSIT BALANCE AT BEGINNING OF YEAR</b>	<b>\$ 9,985</b>
<b>ADDITIONS:</b>	
Sales tax collections	5,430,275
Interest earned on collections	<u>4,749</u>
<b>Total additions</b>	<u><b>5,435,024</b></u>
<b>Total deposits available</b>	<u><u><b>5,445,009</b></u></u>
<b>REDUCTIONS:</b>	
<b>Taxes distributed to others:</b>	
Jackson Parish School Board	2,570,540
Jackson Parish Police Jury	1,296,228
Town of Jonesboro	1,083,667
Village of Hodge	362,135
Village of North Hodge	10,006
Village of East Hodge	1,288
Village of Eros	9,668
Administrative fees (transferred to General Fund)	81,197
Collections fees, refunds, etc.	<u>27,394</u>
<b>Total reductions</b>	<u><u><b>5,442,124</b></u></u>
<b>DEPOSIT BALANCES AT END OF YEAR</b>	<b><u><u>\$ 2,886</u></u></b>

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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

Mr. Robert Schmidt, President  
and Members of the Board of Commissioners  
Jackson Parish Sales Tax Collection Agency  
Jonesboro, Louisiana

We have audited the general purpose financial statements of the Jackson Parish Sales Tax Collection Agency, Jonesboro, Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated September 2, 1999. We conducted our audit in accordance with generally accepted auditing 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 Jackson Parish Sales Tax Collection Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Jackson Parish Sales Tax Collection Agency'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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

  
KENNETH D. FOLDEN & CO.  
Certified Public Accountants

Jonesboro, Louisiana  
September 2, 1999

**JACKSON PARISH SALES TAX COLLECTION AGENCY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 1999**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unqualified opinion on the financial statements of the Jackson Parish Sales Tax Collection Agency.
2. No reportable conditions relating to the audit of the financial statement are reported in the REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.
3. No instance of noncompliance material to the financial statements of the Jackson Parish Sales Tax Collection Agency was disclosed during the audit.
4. The Jackson Parish Sales Tax Collection Agency had no federal award programs.

**II. FINDINGS - FINANCIAL STATEMENTS AUDIT**

None.

**I. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

The Jackson Parish Sales Tax Collection Agency had no major federal award programs.

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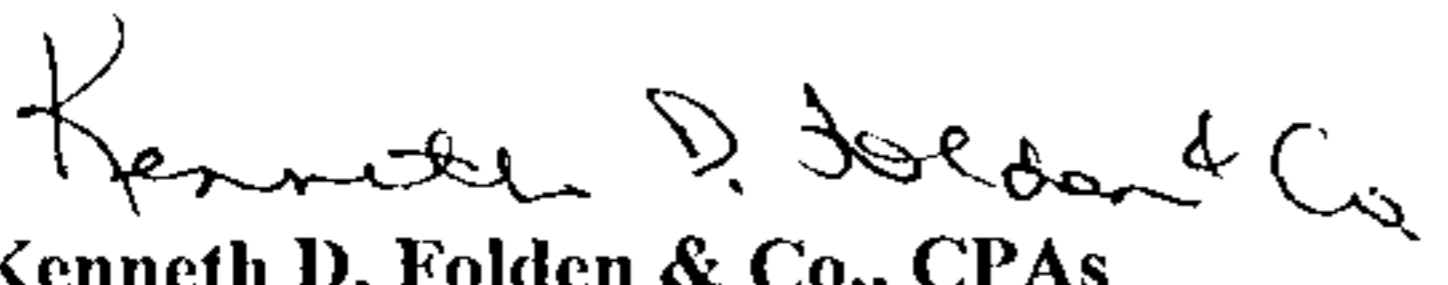
**Mr. Robert Schmidt, President  
and Members of the Board of Commissioners  
Jackson Parish Sales Tax Collection Agency  
Jonesboro, LA 71251**

**In planning and performing our audit of the general purpose financial statements of the Jackson Parish Sales Tax Collection Agency, as of and for the year ended June 30, 1999, and to obtain reasonable assurance about whether the financial statements are free of material misstatement, we considered the following:**

- 1. The internal control structure 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 structure; and,**
- 2. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Jackson Parish Sales Tax Collection Agency's compliance with certain provisions of laws, regulations and contracts. The objective of our audit was not to provide an opinion on overall compliance with such provisions. Accordingly, we did not express such an opinion.**

**During our audit, we became aware of certain matters involving immaterial noncompliance with laws and matters disclosed in the audit report, as of and for the year ended June 30, 1999, involving the internal control structure that were opportunities for strengthening internal controls and compliance requirements. The memorandum that accompanies this letter summarizes our comments regarding those matters. (We previously reported on the Jackson Parish Sales Tax Collection Agency's internal control structure in our report dated September 2, 1999.) This letter does not affect our report dated September 2, 1999, on the general purpose financial statements of the Jackson Parish Sales Tax Collection Agency.**

**Sincerely,**

  
**Kenneth D. Folden & Co., CPAs  
September 2, 1999**



### Budgets

For the year ended June 30, 1999, the Jackson Parish Sales Tax Collection Agency failed to adequately amend the budgeted expenditures of its General Fund. Failure to adequately amend the budgeted expenditures resulted in actual expenditures exceeding the budgeted expenditures by more than five percent. Louisiana Revised Statute 39:1310 requires that amendments shall be made whenever actual expenditures are exceeding budgeted expenditures by five percent or more.

We recommend that the Jackson Parish Sales Tax Collection Agency comply with Louisiana Revised Statute 39:1310.

In a letter dated September 2, 1999, the Jackson Parish Sales Tax Collection Agency responded by stating that the General Fund's Actual expenditures did exceed the budgeted expenditures by more than five percent. The unfavorable variance was strictly an oversight and that its budgeted expenditures will be monitored closer in the future.

### Pledged Securities

At June 30, 1999, the Jackson Parish Sales Tax Collection Agency had collected bank balances of \$455,559. These deposits were secured from risk by \$100,000 of federal deposit insurance (FDIC) and \$321,485 of pledged securities. However, \$34,074 of the collected bank balances did not have either FDIC coverage or pledged assets to secure these monies. Louisiana Revised Statute 39:1225 requires that all monies over the FDIC coverage shall be secured on hundred percent (100%) by pledged securities.

We recommend that the Jackson Parish Sales Tax Collection Agency comply with Louisiana Revised Statute 39:1225.

In a letter dated September 2, 1999, the Jackson Parish Sales Tax Collection Agency responded by stating that this was an oversight and corrective action has already been taken.

### Prior Year's Findings

None.