

LOUISIANA UNIFORM LOCAL SALES TAX BOARD

Baton Rouge, Louisiana

FINANCIAL REPORT

June 30, 2024

LOUISIANA UNIFORM LOCAL SALES TAX BOARD

Baton Rouge, Louisiana

TABLE OF CONTENTS

June 30, 2024

	<u>Exhibit</u>	<u>Page</u>
FINANCIAL SECTION		
Independent Auditor's Report		1
Management's Discussion and Analysis		4
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	A	10
Statement of Activities	A-1	11
Fund Financial Statements:		
Governmental Fund:		
Balance Sheet	A-2	12
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	A-3	13
Statement of Revenues, Expenditures, and Changes in Fund Balance	A-4	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities	A-5	15
Notes to Financial Statements	A-6	16
Required Supplementary Information:		
Major Fund Budgetary Comparison Schedules:		
General Fund:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	B-1	34
Schedule of Proportionate Share of Net Pension Liability	B-2	35
Schedule of Pension Contributions	B-3	36
Notes to Required Supplementary Information	B-4	37
Supplementary Information:		
Schedule of Compensation, Benefits, and Other Payments to Agency Heads	B-5	38

Other Independent Auditor's Reports

Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	39
Schedule of Current and Prior Year Audit Findings and Managements Corrective Action Plan	41

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Louisiana Uniform Local Sales Tax Board (the Board), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Board, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The supplementary information comprises the schedule of compensation, benefits and other payments to agency head, that is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2024, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
December 17, 2024

LOUISIANA UNIFORM LOCAL SALES TAX BOARD

Baton Rouge, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Louisiana Uniform Local Sales Tax Board of the Parish of Baton Rouge, Louisiana (the Board) we are pleased to provide an overview of our financial activities for the year ended June 30, 2024. Please read it in conjunction with the Board's financial statements, which begin on page 10. The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts.

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

FINANCIAL HIGHLIGHTS

In 2024, the Board experienced an increase in net position and in fund balance.

The major financial highlights for 2024 are as follows:

- Assets of the Board's primary government's assets exceeded its liabilities at the close of the year by approximately \$4,594,700 (net position).
- The primary government's total net position increased by approximately \$1,177,800 during 2024.
- As of the end of the year, the primary government's governmental fund reported fund balances of approximately \$4,477,000.
- The General Fund's fund balance increased by approximately \$1,156,300 during 2024.

Significant aspects of the Board's financial well-being as of and for the year ended June 30, 2024 are detailed throughout this analysis.

USING THIS ANNUAL REPORT

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

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

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

Reporting on the Board as a Whole

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

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

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

At June 30, 2024, the Board's net position was \$4,594,700 for governmental activities, of which \$66,600 was invested in capital assets and the remainder was unrestricted. The Board does not have restricted net position, which is reported separately to show legal constraints from debt covenants and enabling legislation that limits the Board's ability to use that net position for day-to-day operations.

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

Louisiana Uniform Local Sales Tax Board
Statements of Net Position
June 30, 2024 and 2023
(in thousands)

	2024	2023
Cash and cash equivalents	\$ 4,202	\$ 3,184
Due from other governments	303	133
Other assets	21	21
Capital assets, net	7	5
Subscription assets, net	97	147
Total assets	4,630	3,490
Deferred outflows of resources	109	-
Total assets and deferred outflows of resources	<u>\$ 4,739</u>	<u>\$ 3,490</u>
Current and other liabilities	\$ 86	\$ 73
Net pension liability	57	-
Total liabilities	143	73
Deferred inflows of resources	1	-
Net position:		
Investment in capital assets	67	96
Unrestricted	4,528	3,321
Total liabilities, deferred inflows, and net position	<u>\$ 4,739</u>	<u>\$ 3,490</u>

Net position of the Board's governmental activities increased by \$1,177,800 or 34% during 2024.

The \$4,528,200 in unrestricted net position of governmental activities represents the accumulated results of operations, or the residual that would remain after the Board paid all of its obligations. The changes in net position are discussed later in this analysis.

(Continued)

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

Louisiana Uniform Local Sales Tax Board
Statement of Activities
For the year ended June 30, 2024 and 2023
(in thousands)

	2024	2023
General Revenues:		
Sales and use tax	\$ 1,615	\$ 1,514
Investment	132	59
Grants and contributions not restricted for specific programs	51	-
Total revenues	<u>1,798</u>	<u>1,573</u>
Functions/Programs Expenses:		
General government	<u>620</u>	<u>462</u>
Change in net position	1,178	1,111
Beginning net position	<u>3,417</u>	<u>2,306</u>
Ending net position	<u><u>\$ 4,595</u></u>	<u><u>\$ 3,417</u></u>

Fund Financial Statements

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

Reporting on the Board as a Whole

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

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. All of the Board's services are reported in one governmental fund, the General Fund. This fund is reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash.

The governmental fund statements provide a detailed short-term view of the Board's general government operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Board's programs.

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

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

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning original and final budgetary comparisons to actual results for the year for the Board's major fund, the General Fund, as well as a schedule of proportionate share of net pension liability and the schedule of pension contribution which can be found on pages 34-36.

Financial Analysis of the Government's Funds

The general government operations of the Board are accounted for in the General Fund. The focus of this fund, as noted earlier, is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Board's financing requirements. The following is a summary of the Board's operations for 2024 for the General Fund:

	(in thousands)	
	2024	2023
Revenues	\$ 1,747	\$ 1,573
Expenditures	591	429
Net change in fund balance	1,156	1,144
Fund balance, beginning of year	3,321	2,177
Fund balance, ending of year	<u>\$ 4,477</u>	<u>\$ 3,321</u>

The Board's General Fund experienced an increase in fund balance of \$1,156,000 or 35% during 2024.

Sources of governmental revenues are summarized below:

	(in thousands)		(in thousands)	
	2024		2023	
<u>Source of Revenue</u>	Revenue	%	Revenue	%
Sales tax	\$ 1,615	97	\$ 1,514	96
Other	51	3	59	4
Total	<u>\$ 1,666</u>	<u>100</u>	<u>\$ 1,573</u>	<u>100</u>

Expenditures of the primary government were \$590,000. The largest expenditures were professional fees of \$239,000 for accounting, legal, and technology services and personnel expenditures of \$301,000.

CAPITAL ASSETS

At the end of 2024, the Board had approximately \$7,000 invested in equipment.

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

SUBSCRIPTION ASSETS

At the end of 2024, the Board had approximately \$98,000 invested in subscription-based information technology arrangements.

More detailed information on the Board's subscription assets is presented in Note 6 to the financial statements.

LONG-TERM LIABILITY

As of June 30, 2024, the Board's long-term liability is comprised of the following:

	Beginning Balance	Increases	Decreases	Ending Balance	Due within one year
Net pension obligation	\$ -	\$ 57,911	\$ -	\$ 57,911	\$ -

More detailed information on the Board's long-term liability is presented in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Board is reliant upon LA RS: 47.337.102, which accounts for most of its revenues. The budgeted expenditures for 2025 are expected to be consistent to 2024 for the additional services the Board will provide.

Contacting the Board's Financial Management

This financial report is designed to provide a general overview of the Board's finances for all those with an interest in the Board's finances. If you have questions about this report or need additional financial information, contact the Louisiana Uniform Local Sales Tax Board, at 7722 Office Park Blvd, Suite 300, Baton Rouge, LA 70809.

LOUISIANA UNIFORM LOCAL SALES TAX BOARD

Baton Rouge, Louisiana

STATEMENT OF NET POSITION

June 30, 2024

	Governmental Activities
CURRENT ASSETS	
Cash and cash equivalents	\$ 4,201,729
Due from other governments	302,810
Prepaid and other assets	21,105
CAPITAL ASSETS, net	6,848
SUBSCRIPTION ASSET, net	97,688
Total assets	4,630,180
DEFERRED OUTFLOWS OF RESOURCES	
Pension liability	109,312
Total assets and deferred outflows of resources	\$ 4,739,492
LIABILITIES AND NET POSITION	
Accounts payable and accrued liabilities	\$ 48,326
Long-term liabilities:	
Subscription liability due within one year	18,580
Subscription liability due in more than one year	19,398
Net pension liability	57,911
Total liabilities	144,215
DEFERRED INFLOWS OF RESOURCES	
Pension liability	530
NET POSITION	
Net investment in capital assets	66,558
Unrestricted	4,528,189
Total net position	4,594,747
Total liabilities, deferred inflows, and net position	\$ 4,739,492

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

LOUISIANA UNIFORM LOCAL SALES TAX BOARD

Baton Rouge, Louisiana

STATEMENT OF ACTIVITIES

For the year ended June 30, 2024

		Program Revenues			Net (Expenses) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 619,823	\$ -	\$ -	\$ -	\$ (619,823)
General revenues:					
Sales and use tax					1,614,613
Investment earnings					132,110
Grants and contributions not restricted for specific programs					50,871
Total general revenues					1,797,594
Change in net position					1,177,771
Net position - beginning of year					3,416,976
Net position - end of year					\$ 4,594,747

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

LOUISIANA UNIFORM LOCAL SALES TAX BOARD

Baton Rouge, Louisiana

**BALANCE SHEET
GOVERNMENTAL FUND**

June 30, 2024

	General Fund
ASSETS	
Cash and cash equivalents	\$ 4,201,729
Due from other governments	302,810
Prepaid and other assets	<u>21,105</u>
Total assets	<u><u>4,525,644</u></u>
LIABILITIES	
Accounts payable and other accrued liabilities	<u>\$ 48,326</u>
Total liabilities	<u>48,326</u>
FUND BALANCE	
Nonspendable	21,105
Unassigned	<u>4,456,213</u>
Total fund balance	<u>4,477,318</u>
Total liabilities and fund balance	<u><u>\$ 4,525,644</u></u>

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

LOUISIANA UNIFORM LOCAL SALES TAX BOARD

Baton Rouge, Louisiana

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

June 30, 2024

Total fund balances - governmental funds (Exhibit A-2)			\$ 4,477,318
Total net position reported for governmental activities in the statement of net position is different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds			6,848
Subscription assets used in governmental activities that are not financial resources and, therefore, and not reported in the governmental funds, net of accumulated amortization			97,688
Subscription liabilities not due with current resources and therefore not reported in governmental funds			(37,978)
Pension related obligations that are not due and payable with current resources and, therefore, are not reported in governmental funds.			
Deferred outflows related to pension liability		109,312	
Net pension liability		(57,911)	
Deferred inflows related to pension liability		(530)	50,871
Net position of governmental activities (Exhibit A)			<u>\$ 4,594,747</u>

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

LOUISIANA UNIFORM LOCAL SALES TAX BOARD

Baton Rouge, Louisiana

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

For the year ended June 30, 2024

	General Fund
REVENUES	
Sales and use tax	\$ 1,614,613
Interest	<u>132,110</u>
Total revenues	<u>1,746,723</u>
EXPENDITURES	
Current function:	
General government:	
Personnel	300,948
Professional fees	239,490
Office and other	26,193
Debt service:	
Principal	17,798
Interest	2,452
Capital outlay	<u>3,526</u>
Total expenditures	<u>590,407</u>
Net change in fund balance	1,156,316
FUND BALANCE	
Beginning of year	<u>3,321,002</u>
End of year	<u><u>\$ 4,477,318</u></u>

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

LOUISIANA UNIFORM LOCAL SALES TAX BOARD

Baton Rouge, Louisiana

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

For the year ended June 30, 2024

Net change in fund balance - total governmental fund (Exhibit A-4) \$ 1,156,316

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

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

Capital outlay	3,526	
Depreciation/amortization expense	<u>(50,740)</u>	(47,214)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of activities.

Principal payments on subscription assets		17,798
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Changes in net pension liability is reported only in the Statement of Activities.

		<u>50,871</u>
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Change in net position of governmental activities (Exhibit A-1) \$ 1,177,771

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

LOUISIANA UNIFORM LOCAL SALES TAX BOARD

Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations

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

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

Financial Statement Presentation

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

(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial statement presentation (Continued)

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

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

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

Government-wide Financial Statements

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

Governmental activities generally are financed through sales taxes.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

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

Governmental Fund Types

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

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

Basis of Accounting and Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued)

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

Cash and Cash Equivalents

Cash and cash equivalents for the Board include the Louisiana Asset Management Pool (LAMP) account deposits as well as the Board's operating cash accounts.

For an investment, custodial credit risk that, in the event of the failure of the counter party, the Board will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The investment policy of the Board is governed by state statutes that include depository and custodial contract provisions.

The Board invests funds in accordance with L.R.S. 39:1211-1245 and 33:2955 which include, but are not limited to, United States Treasury Bonds, Treasury Notes, Treasury Bills, and fully collateralized interest-bearing checking accounts and certificates of deposit. Other provisions require depositories to insure or collateralize all deposits in accordance with state law and require securities collateralizing deposits to be held by an independent third party with whom the Board has a custodial agreement. The Board primarily utilizes the LAMP to invest idle funds and records amounts invested at fair market value.

The Board considers all highly liquid debt instruments, including money markets and certificates of deposits available for current use, with an initial maturity of three months or less, to be cash equivalents.

The Board categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

Effective July 1, 2021, the Board implemented ASU 2016-02, *Leases* (Topic 842). Topic 842's core principle is that "a lessee should recognize the assets and liabilities that arise from leases." The Topic 842 considered that "all leases create an asset and a liability," and accordingly requires recording the assets and liabilities related to all leases with a term greater than 12 months. Concurrent with the implementation of ASU 2016-02, and ASU 2018-11 "*Leases (Topic 842): Targeted Improvements*," which intended to simplify the transition requirement giving the Board the option to apply the transition provisions of the new standard at the date of adoption instead of at the earliest comparative period. In implementing these ASUs, the Board elected the options provided in ASU 2018-11. This accounting was applied to all lease agreements using the modified retrospective method, and when implemented with ASU 2018-11, allowed the Board to recognize the leased assets and liabilities on its balance sheet, without restating prior periods. As of June 30, 2024, the Board did not have any lease agreements that were required to be implemented, but the Topic 842 will be monitored annually.

Capital Assets

Government-wide Statements

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

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

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

Computer equipment	3 - 5 years
Furniture and fixtures	7 years

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Right of Use Assets

Right of use assets are a result of leases in which the Board has entered into a contract with a lessor that conveys control of the right to use the lessor's nonfinancial asset as specified by the contract for a period of time in an exchange or exchange-like transaction. Such assets are reported on the government-wide financial statements net of amortization. Right of use assets are amortized at the lesser of the useful life or lease term. The Board has not entered into any agreements gaining control of the right to use a lessor's nonfinancial assets as described above at June 30, 2024.

Fund Financial Statements

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

Deferred Outflows and Inflows of Resources

Government-wide Statements

In addition to assets in the government-wide financial statements, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure) until then. The Board has one item that qualifies for this category, which is deferred outflows of resources related to pension liability and is reported in the government-wide statements.

In addition to liabilities in the government-wide financial statements, the Statement of Net Position may report a separate section for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) at that time. The Board has one item that qualifies for this category, which is deferred inflows of resources related to pension liability and is reported in the government-wide statements.

Fund Financial Statements

In the fund financial statements, unavailable revenues are accounted as deferred inflows of resources. This item is reported only in the governmental funds balance sheet. The amounts deferred are recognized as an inflow of resources in the period that the amounts become available.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subscription Assets

Subscription assets are a result of subscription-based information technology agreements (SBITAs) in which the Board has entered into a contract with a vendor that conveys control of the right to use to the vendor's nonfinancial asset (the underlying asset) as specified by the subscription for a period of time in an exchange or exchange-like transaction. Such assets are reported on the government-wide financials statements, net of amortization. Subscription assets are amortized at the lesser of the useful life or contract term.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees' Retirement System (MERS) and additions to/deductions from the MERS fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Government-wide Net Position

Government-wide net position is divided into three components:

- Net investment in capital assets - consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net position - consist of net position that is restricted by the Board's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors. The Board has no restricted net position as of June 30, 2024.
- Unrestricted - all other net position is reported in this category.

In the government-wide fund statements, restricted resources available for use will be depleted prior to use of unrestricted resources.

Governmental Fund Balances

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

- Nonspendable - Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Balances (Continued)

- Restricted - Amounts that can be spent only for specific purposes because of the state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed - Amounts that can be used only for specific purposes determined by a formal action by Board ordinance. This includes the budget reserves.
- Assigned - Amounts that are designated by the Executive Director for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by the Board.
- Unassigned - All amounts not included in other spendable classifications.

Use of Restricted Resources

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

- Restricted fund balance,
- Committed fund balance,
- Assigned fund balance, and
- Unassigned fund balance.

Fund balance represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The General Fund is the only fund that reports a positive unassigned fund balance, although other governmental funds may report a negative unassigned fund balance if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned.

Budget Policy and Budgetary Accounting

Policy and Practice

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget Policy and Budgetary Accounting (Continued)

Basis of Budgeting

The General Fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source and expenditures are budgeted by function. Budget revisions at this level are subject to final review by the Board. The legal level of control is by function within the General Fund. Expenditures may not exceed appropriations at this level. No amendments to the budget were made throughout the year.

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

Estimates

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

Subsequent Events

In preparing these financial statements, the Board has evaluated events and transactions for potential recognition or disclosure through December 17, 2024, which was the date the financial statements were available to be issued.

(Continued)

NOTE 2 - CASH AND CASH EQUIVALENTS

The Board may invest in United States bonds, treasury notes, or certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana or other qualifying federally insured investments.

At June 30, 2024, the carrying amount of the primary government's deposits was \$2,187,793, which was also the bank balance. The bank balance is secured by federal depository insurance and collateral held by the Board's agent in the Board's name.

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

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

Federal deposit insurance (FDIC)	\$ 250,000
Pledged securities in the Board's name	<u>1,937,793</u>
Total bank balance	<u>\$ 2,187,793</u>

As of June 30, 2024, the Board had a balance of \$2,015,932 invested in LAMP.

LAMP is administered by a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pools of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955.

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public investments.

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- Credit risk: LAMP is rated AAAm by Standard & Poor's.
- Custodial risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

NOTE 2 - CASH AND CASH EQUIVALENTS (Continued)

- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 70 days as of December 31, 2023.
- Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

The government's investments are categorized as either (1) insured or registered for which the securities are held by the government or its agent in the government's name, (2) uninsured and unregistered for which the securities are held by the broker's or dealer's trust department or agent in the government's name, or (3) uninsured and unregistered for which securities are held by the broker or dealer, or by its trust department or agent but not in the government's name.

NOTE 3 - DUE FROM OTHER GOVERNMENTS

As of June 30, 2024, \$302,810 was due from the Department of Public Safety related to sales tax revenues.

NOTE 4 - ECONOMIC DEPENDENCY

The Louisiana Legislature passed in House Bill No. 601 (HB 601) of the 2017 Louisiana Legislative Session to establish the Board as a political subdivision of the State. HB 601 provides the Board to be funded by statewide collections of local sales and use tax on motor vehicles within the State of Louisiana. This funding is 92.4% of the Board's revenue for the year ended June 30, 2024. As of January 2024, such collections were limited to contractual agreements between the Board and fifty-eight parishes under the terms of a Memoranda of Understanding between the Board and each parish.

NOTE 5 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2024 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities :				
Computers and technology	\$ 13,312	\$ 3,526	\$ -	\$ 16,838
Furniture and fixture	5,638	-	-	5,638
Capital assets being depreciated:	18,950	3,526	-	22,476
Less: accumulated depreciation	(13,732)	(1,896)	-	(15,628)
Total capital assets, net	<u>\$ 5,218</u>	<u>\$ 1,630</u>	<u>\$ -</u>	<u>\$ 6,848</u>

Depreciation expense was \$1,896 for 2024.

NOTE 6 - SUBSCRIPTION ASSET AND LIABILITY

A summary of changes in subscription assets and subscription liabilities for the year ended June 30, 2024 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities :				
Subscription asset	\$ 195,376	\$ -	\$ -	\$ 195,376
Less: accumulated amortization	(48,844)	(48,844)	-	(97,688)
Total subscription assets, net	<u>\$ 146,532</u>	<u>\$ (48,844)</u>	<u>\$ -</u>	<u>\$ 97,688</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Total subscription liability	<u>\$ 55,776</u>	<u>\$ -</u>	<u>\$ (17,798)</u>	<u>\$ 37,978</u>

Amortization and interest expense for 2024 was \$48,844 and \$2,452, respectively.

(Continued)

NOTE 6 - SUBSCRIPTION ASSET AND LIABILITY (CONTINUED)

The following is a summary of future amortization payments related to the subscription liability:

Year Ending	Principal	Interest	Total
June 30, 2025	\$ 18,580	\$ 1,670	\$ 20,250
June 30, 2026	19,397	853	20,250
Total future payments	<u>\$ 37,977</u>	<u>\$ 2,523</u>	<u>\$ 40,500</u>

NOTE 7 - PENSION PLAN

Substantially all employees of the Board can elect to be members of the Municipal Employees' Retirement System of Louisiana ("System"), Plan A, a cost sharing, multiple-employer defined benefit pension plan administered by a board of trustees.

Plan Description

Pertinent information relative to the plan is as follows:

The Municipal Employees' Retirement System of Louisiana (MERS) is the administrator of a cost sharing multiple-employer defined benefit pension plan. The System was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana. The System provides retirement benefits to employees of all incorporated villages, towns and cities within the State which do not have their own retirement system and which elect to become members of the System. For the Plan's year ended June 30, 2023, there were 86 contributing municipalities in Plan A.

The Municipal Employees' Retirement System of Louisiana has issued a stand-alone audit report on their financial statements for the year ended June 30, 2023. Access to the report can be found on System's website, www.mersla.com, or the Louisiana Legislative Auditor's website, www.la.la.gov.

Funding Policy

Plan members are required by state statute to contribute 10.00% of their annual covered salary and the Board is required to contribute at an actuarially determined rate. The current rate is 29.50% of annual payroll. The contribution requirements of plan members and the Board 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 Board's contribution to the System under Plan A for the year ended June 30, 2024, was \$66,356.

NOTE 7 - PENSION PLAN (CONTINUED)

Pension Liabilities and Expense and Deferred Outflows and Inflows of Resources

At June 30, 2024, the Board reported a net pension liability of \$57,911 for its proportionate share of the net pension liability. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

Based on the actuarial valuation as of June 30, 2023, the Board's proportion was 0.015845%.

For the year ended June 30, 2024, the Board recognized pension benefit of \$50,871.

At June 30, 2024, the Board reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 530
Changes of assumptions	-	-
Net difference between projected and actual earnings		
on pension plan investments	6,654	-
Changes in proportion and differences between employer	36,264	
contributions and proportionate share of contributions	-	-
Differences between allocated and actual contributions	38	-
Employer contributions subsequent to the measurement		
date	66,356	-
	<u>\$ 109,312</u>	<u>\$ 530</u>

The Board reported \$66,356 as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

(Continued)

NOTE 7 - PENSION PLAN (CONTINUED)

**Pension Liabilities and Expense and Deferred Outflows and Inflows of Resources
(Continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	MERS
2024	\$ 19,532
2025	18,491
2026	4,828
2027	(425)
	<u>\$ 42,426</u>

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2024 are as follows:

Valuation Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Services Lives	3 years
Investment Rate of Return	6.85% net of investment expense, including inflation
Inflation Rate	2.50%
Mortality	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales. PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales. PubG-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.

(Continued)

NOTE 7 - PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)

Salary Increases	1 to 4 years of service-	6.40%
	More than 4 years of service-	4.50%
Cost of Living Adjustments	The System is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant additional cost of living increases to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.	

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts regarding the net pension liability are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an experience study for the period July 2013 through June 2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and adjusting for the effect of rebalancing/diversification.

(Continued)

NOTE 7 - PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in system target asset allocations as of June 30, 2023.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
	MERS	MERS
Public Equity	56%	2.44%
Public Fixed Income	29%	1.26%
Alternatives	15%	0.65%
Total	100%	4.35%
Inflation		2.50%
Expected Arithmetic Nominal Return		6.85%

Discount Rate

The discount rate used to measure the total pension liability was 6.85%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by the Board of Trustees and PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate

The following presents the employer's proportionate share of the net pension liability using the discount rate of 6.85%, as well as the employer's proportionate share of the net pension liability if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by MERS:

	1.0% Decrease	Current Discount Rate	1.0% Increase
MERS			
Discount Rates	5.85%	6.85%	7.85%
Share of Net Pension Liability \$	80,287	\$ 57,911	\$ 39,011

NOTE 8 - GOVERNING BODY COMPENSATION

The governing board received no compensation for the year ended June 30, 2024.

NOTE 9 - RISK MANAGEMENT

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

LOUISIANA UNIFORM LOCAL SALES TAX BOARD

Baton Rouge, Louisiana

GENERAL FUND

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

For the year ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance positive (negative)
REVENUES				
Sales and use tax	\$ 1,500,000	\$ 1,500,000	\$ 1,614,613	\$ 114,613
Interest and other	49,050	49,050	132,110	83,060
Total revenues	<u>1,549,050</u>	<u>1,549,050</u>	<u>1,746,723</u>	<u>197,673</u>
EXPENDITURES				
Current function:				
General government:				
Personnel	387,159	387,159	300,948	147,669
Professional fees	354,410	354,410	239,490	53,462
Office and other	82,615	82,615	26,193	56,422
Debt service:				
Principal	-	-	17,798	(17,798)
Interest	-	-	2,452	(2,452)
Capital outlay	-	-	3,526	(3,526)
Total expenditures	<u>824,184</u>	<u>824,184</u>	<u>590,407</u>	<u>233,777</u>
Net change in fund balance	<u>\$ 724,866</u>	<u>\$ 724,866</u>	1,156,316	<u>\$ 431,450</u>
FUND BALANCE				
Beginning of year			<u>3,321,002</u>	
End of year			<u>\$ 4,477,318</u>	

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

LA UNIFORM SALES TAX BOARD
SCHEDULE OF PROPORTIONATE SHARE
OF NET PENSION LIABILITY
LAST TEN FISCAL YEARS (1) (2)

For the year ended June 30, 2024

Municipal Employees' Retirement System (MERS):

As of the plan year ended (2):

2024

Employer's Proportion of the Net Pension Liability (Asset)	0.15845%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 57,911
Employer's Covered-Employee Payroll	31,847
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	182%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72%

(1) Schedule is intended to show information for 10 years. Additional years will be presented as available.

(2) The amounts presented have a measurement date of MERS's prior June 30th fiscal year end.

LA UNIFORM SALES TAX BOARD
SCHEDULE OF PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS (1)
For the year ended June 30, 2024

Municipal Employees' Retirement System (MERS):

<u>As of the fiscal year ended</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Excess (Deficiency)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
6/30/2024	\$ 66,356	\$ 66,356	\$ -	\$ 224,936	29.50%

(1) Schedule is intended to show information for 10 years. Additional years will be presented as available.

LOUISIANA UNIFORM SALES TAX BOARD

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the year ended June 30, 2024

NOTE 1 - BUDGETS

Budget Policy and Budgetary Accounting

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

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

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

Basis of Accounting

The Board's budget is prepared on the modified accrual basis of accounting as described in Note 1 to the Board's financial statements for the year ended June 30, 2024.

NOTE 2 - NET PENSION LIABILITY FOR MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM - PLAN A

Changes of Benefit Terms

Measurement Date	Changes of Benefit Terms	
	Years	Change
6/30/2023	3	-

Changes of Assumptions

Measurement Date	Discount Rates		Inflation Rates	
	Rate	Change	Rate	Change
6/30/2023	6.85%	0.000%	2.50%	0.000%

Measurement Date	Salary Increases			
	1-4 years	Change	4+ years	Change
6/30/2023	6.40%	0.000%	4.50%	0.000%

LOUISIANA UNIFORM LOCAL SALES TAX BOARD

Baton Rouge, Louisiana

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

For the year ended June 30, 2024

Agency Head: Clarence Lymon, Executive Director

Purpose	Amount
Salary	\$ 138,000
Retirement contributions	42,711
Seminar expense	350
Travel - mileage	5,954
Travel - food	97
Reimbursements	418
Total	<u>\$ 187,530</u>

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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Arthur R. Mixon, CPA*
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Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Nicholas Fowlkes, CPA
Deidre L. Stock, CPA

Of Counsel

C. Burton Kolder, CPA*

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA - retired 2022
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the LA Uniform Sales Tax Board (the Board) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued our report thereon dated December 17, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
December 17, 2024

Louisiana Uniform Local Sales Tax Board
Baton Rouge, Louisiana

Schedule of Current and Prior Year Audit Findings
And Management's Corrective Action Plan
Year Ended June 30, 2024

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

A. Internal Control Over Financial Reporting

None reported.

B. Compliance

None reported.

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

None reported.

B. Compliance

None reported.

LOUISIANA UNIFORM LOCAL SALES TAX BOARD

Baton Rouge, Louisiana

Statewide Agreed-Upon Procedures

Fiscal period July 1, 2023 through June 30, 2024

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board Members of the,
Louisiana Uniform Local Sales Tax Board
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2023 through June 30, 2024. The Louisiana Uniform Local Sales Tax Board's (the Board) management is responsible for those C/C areas identified in the SAUPs.

The Board has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2023 through June 30, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employees(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- h) **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum on all special revenue funds. *Alternatively, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

- d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Bank Reconciliations

- 3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared. (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections (excluding EFTs)

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies and procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
- 6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.]]
10. For each location selected under #8 above, obtain the entity’s non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management’s representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation and:
- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under #13 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

- 16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

- 17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- 19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Ethics

21. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a) Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.
 - b) Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Debt Service

23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
24. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Fraud Notice

25. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the Parish in which the entity is domiciled.
26. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Information Technology Disaster Recovery/Business Continuity

27. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
 - a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.
29. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
- Hired before June 9, 2020 - completed the training; and
 - Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Prevention of Sexual Harassment

30. Using the 5 randomly selected employees/officials from procedure #17 under 'Payroll and Personnel' above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
31. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
32. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

Findings:

No exceptions were found as a result of procedures list above with the exception of:

Policies and Procedures:

The Board has no written policies and procedures addressing Budgeting, Payroll/Personnel, and Debt Service.

Information Technology Disaster Recovery/Business Continuity:

We performed the procedure and discussed the results with management.

Management's Response:

Management of the Board concurs with the exceptions and is working to address the deficiencies identified.

We were engaged by the Louisiana Uniform Local Sales Tax Board to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
December 17, 2024