

**Bossier Parish School Board
Benton, Louisiana**

**Agreed Upon Procedures on
City of Bossier City Sales Tax Division
As of and for the Two Years Ended June 30, 2024**



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board Members
Bossier Parish School Board
Benton, Louisiana

We have performed the procedures enumerated below on the City of Bossier City Sales Tax Division on behalf of the Bossier Parish School Board for the period July 1, 2022 – June 30, 2024. The City of Bossier City is responsible for setting policy and procedures for the Sales Tax Division. Bossier Parish School Board's management is responsible for adhering to the "Joint/Agreement for Collection of Sales and Use Taxes" dated 12/7/1989 between Bossier Parish School Board and the City of Bossier City.

The School Board has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to assist the School Board in determining if the City of Bossier City through its Sales Tax Division are adhering to the "Joint/Agreement for Collection of Sales and Use Taxes" dated 12/7/1989 between the School Board and the City of Bossier City. 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 on the following pages:

Cash, Cash Equivalents, and Financial Reporting

1. Obtain monthly bank reconciliations and financial reports for the consolidated sales tax collection account for the months of October 2022, February 2023, September 2023, and April 2024 for testing, and perform the following procedures:

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| a. Verify the bank reconciliation and financial report were prepared on a timely basis and properly signed. | No exceptions noted as a result of applying agreed upon procedure |
| b. Verify the mathematical accuracy of the reconciliations. | No exceptions noted as a result of applying agreed upon procedure |
| c. Agree the balance per the bank statement to the amount on the bank reconciliation. | No exceptions noted as a result of applying agreed upon procedure |
| d. Agree the reconciled book balance to the general ledger | No exceptions noted as a result of applying agreed upon procedure |
| e. Determine the propriety of deposits in transit | No exceptions noted as a result of applying agreed upon procedure |
| f. Examine all interfund transfers, along with proper supporting documentation | No exceptions noted as a result of applying agreed upon procedure |
| g. Management has documentation reflecting it has researched reconciling items in amounts exceeding \$2,500 that have been outstanding for 3 months or longer as of the end of June 30, 2024 | No exceptions noted as a result of applying agreed upon procedure |
| h. The larger (exceeding \$2,500) outstanding items appear to be reasonable | No exceptions noted as a result of applying agreed upon procedure |
| i. Determine if management documented their review of the financial reports to determine if account balances appear reasonable | No exceptions noted as a result of applying agreed upon procedure |
| j. The reason for any deficit balance appears to be reasonable | No exceptions noted as a result of applying agreed upon procedure |

Sales Tax Revenue Returns

1. Obtain a sample of Sales Tax Returns for the months of October 2022, February 2023, September 2023, and April 2024. Select a sample of 15 sales tax returns from each month for testing, and perform the following procedures:
 - a. Trace to validated deposit slip
No exceptions noted as a result of applying agreed upon procedure
 - b. Determine deposit was made on a timely basis (within 3 business days).
1 exceptions noted where deposit was not made within 3 business days
 - c. Trace to proper posting in the general ledger to taxing bodies
No exceptions noted as a result of applying agreed upon procedure
 - d. Trace to proper supporting documentation, as applicable
No exceptions noted as a result of applying agreed upon procedure
 - e. Verify supporting documentation for total deposit
No exceptions noted as a result of applying agreed upon procedure

Revenue from Special Items

1. Obtain the monthly Department of Motor Vehicle returns for the months of October 2022, February 2023, September 2023, and April 2024. Select a sample of one Department of Motor Vehicle return from each month and perform the following procedures:
 - a. Trace to validated deposit slip
No exceptions noted as a result of applying agreed upon procedure
 - b. Determine deposit was made on a timely basis (within 3 business days).
No exceptions noted as a result of applying agreed upon procedure
 - c. Trace to proper posting in the general ledger to taxing bodies
No exceptions noted as a result of applying agreed upon procedure
 - d. Trace to proper supporting documentation, as applicable
No exceptions noted as a result of applying agreed upon procedure
 - e. Verify supporting documentation for total deposit
No exceptions noted as a result of applying agreed upon procedure
2. Obtain the monthly Remote Seller returns for the months of October 2022, February 2023, September 2023, and April 2024. Select a sample of one Remote Seller return from each month and perform the following procedures:
 - a. Trace to validated deposit slip
No exceptions noted as a result of applying agreed upon procedure
 - b. Determine deposit was made on a timely basis (within 3 business days).
No exceptions noted as a result of applying agreed upon procedure
 - c. Trace to proper posting in the general ledger to taxing bodies
No exceptions noted as a result of applying agreed upon procedure
 - d. Trace to proper supporting documentation, as applicable
No exceptions noted as a result of applying agreed upon procedure
 - e. Verify supporting documentation for total deposit
No exceptions noted as a result of applying agreed upon procedure

Revenue from Special Items (continued)

3. Obtain a sample of the monthly Casino returns for the months of October 2022, February 2023, September 2023, and April 2024. Select a sample of five Casino returns from each month and perform the following procedures:

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| a. Trace to validated deposit slip | No exceptions noted as a result of applying agreed upon procedure |
| b. Determine deposit was made on a timely basis (within 3 business days). | No exceptions noted as a result of applying agreed upon procedure |
| c. Trace to proper posting in the general ledger to taxing bodies | No exceptions noted as a result of applying agreed upon procedure |
| d. Trace to proper supporting documentation, as applicable | No exceptions noted as a result of applying agreed upon procedure |
| e. Verify supporting documentation for total deposit | No exceptions noted as a result of applying agreed upon procedure |

Payments made to all Taxing Bodies in the Parish

1. Obtain copies of detailed monthly payments made to all taxing bodies in the parish for the months of October 2022, February 2023, September 2023, and April 2024 and perform the following procedures:
 - a. Trace monthly payment to monthly general ledger collections posted and verify No exceptions noted as a result of applying agreed upon procedure
 - b. Verify that the monthly payments include all applicable tax (sales, casino, and hotel/motel taxes) collections No exceptions noted as a result of applying agreed upon procedure
 - c. Monthly payments appear reasonable considering the seasonal nature of each type of tax collected No exceptions noted as a result of applying agreed upon procedure
 - d. Perform analytical analysis of sales taxes distributed for all taxing bodies of the parish, relative to each other, and verify that the results appear reasonable The School Board's monthly distributions averaged 36% - 37% of total distributions for all taxing bodies for the four months tested.

Sales Tax Division Direct Vendor Expenses

1. Obtain copies of expenditures of the Sales Tax Division for the months of October 2022, February 2023, September 2023, and April 2024. Select a sample of 5 Sales Tax Division expenses from each month for testing, and perform the following procedures:
 - a. Documentation is canceled to prevent duplicate payment No exceptions noted as a result of applying agreed upon procedure
 - b. Check is signed by authorized personnel No exceptions noted as a result of applying agreed upon procedure
 - c. Evidence (pack slip or receipt) that goods or services were received No exceptions noted as a result of applying agreed upon procedure
 - d. Invoice amount agrees with check amount. No exceptions noted as a result of applying agreed upon procedure
 - e. Charge is supported by proper documentation (purchase requisition, purchase order, invoice, etc.) No exceptions noted as a result of applying agreed upon procedure
 - f. Invoice date is current when compared to date of check (within 60 days of invoice date) No exceptions noted as a result of applying agreed upon procedure
 - g. Account distribution/classification is correctly posted No exceptions noted as a result of applying agreed upon procedure
 - h. Charge appears to be necessary and reasonable No exceptions noted as a result of applying agreed upon procedure
 - i. Ascertain that expenditures are in accordance with the City of Bossier Sales Tax Division financial policies, particularly the purchasing policy No exceptions noted as a result of applying agreed upon procedure
 - j. Documentation of the business/public purpose No exceptions noted as a result of applying agreed upon procedure

Sales Tax Division Salary and Benefit Expenses

1. Obtain a listing of all employees employed in the City of Bossier City Sales Tax Division during the 2022, 2023, and 2024 years along with selected first bi-weekly payroll histories for Sales Tax Division payroll checks and/or direct deposits issued/made during October 2022, February 2023, September 2023, and April 2024 and other supportive documentation, including City of Bossier management's confirmation of the percentage of time devoted to the Bossier City Sales Tax Division by each employee, and perform the following procedures:
 - a. Verify salary reported for each individual matches salary schedule Salary schedules are not utilized by the City of Bossier Sales Tax Division.
 - b. Verify the percentage of salary charged to the sales tax department for each individual is documented No exceptions noted as a result of applying agreed upon procedure
 - c. Verify any extra payroll earnings for a pay period is supported by documentation and appears to be reasonable No exceptions noted as a result of applying agreed upon procedure
 - d. Verify retirement rate for each individual matches provided rate No exceptions noted as a result of applying agreed upon procedure
 - e. Verify that group insurance benefits allocated paid for each employee matches provided rates No exceptions noted as a result of applying agreed upon procedure
 - f. Verify that the job descriptions provided match the actual duties performed by each individual Six exceptions were noted where the actual duties performed did not match the job descriptions

Sales Tax Division Allocation of General Expenses from the City of Bossier City:

1. Obtain a memo from the City of Bossier detailing the procedure utilized, percentage of allocation details, and basis for procedure used during the years of 2022, 2023, and 2024 for allocating general expenses of the City of Bossier City to the Sales Tax Division and provide responses specifically to the items noted below:

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| a. Basis for charging Software Maintenance and Subs (a/c # 8008100 52118) \$18,750 per JNL 267 dated 1/10/2023 and \$1,250 per JNL 386 dated 1/11/23 totaling \$20,000 is supported by documentation and appears reasonable | No exceptions noted as a result of applying agreed upon procedure |
| b. Basis for charging Software Maintenance and Subs (a/c # 8008100 52118) \$3,208.33 monthly (\$38,500 annualized) during 2024 is supported by documentation and appears reasonable | No exceptions noted as a result of applying agreed upon procedure |
| c. Basis for charging General Administration Charges (a/c # 8008100 52210) \$2,166.67 monthly (\$26,000 annually) during 2023 and partial 2024 is supported by documentation and appears reasonable | No exceptions noted as a result of applying agreed upon procedure |
| d. Basis for charging Computer System Charges (a/c # 8008100 52212) \$1,333.33 monthly (\$16,000 annually) during 2023 and partial 2024 is supported by documentation and appears reasonable | No exceptions noted as a result of applying agreed upon procedure |
| e. Basis for charging General Insurance Charges (a/c # 8008100 52801) \$3,016.67 monthly (\$36,200 annually) during 2023 is supported by documentation and appears reasonable | No exceptions noted as a result of applying agreed upon procedure |
| f. Basis for charging General Insurance Charges (a/c # 8008100 52801) \$4,716.67 monthly (\$56,600 annualized) during partial 2024 is supported by documentation and appears reasonable | No exceptions noted as a result of applying agreed upon procedure |
| g. Basis for charging Audit Services (a/c # 8008100 52510) \$21,250 per JNL 1073 dated 4/18/23 and \$3,750 per JNL 1280 dated 5/16/23 paid Heard, McElroy & Vestal totaling \$25,000 for year 2023 was based upon invoices provided by Heard, McElroy & Vestal as applicable to the Sales Tax Division | No exceptions noted as a result of applying agreed upon procedure |
| h. Basis for charging Audit Services (a/c # 8008100 52510) \$7,500 per JNL 654 dated 4/9/24 and \$17,500 per JNL 11 dated 5/01/24 paid Heard, McElroy & Vestal totaling \$25,000 for partial year 2024 was based upon invoices provided by Heard, McElroy & Vestal as applicable to the Sales Tax Division | No exceptions noted as a result of applying agreed upon procedure |

Allocations of Expenditures to Bossier Parish School Board

1. Obtain a memo from the City of Bossier Sales Tax Division detailing the procedure utilized, percentage of allocation details, and basis for procedure used during the years of 2022, 2023, and 2024 that the City of Bossier City used semi-annually for allocating Sales Tax Division expenses to the Bossier Parish School Board. Also obtain expense billings for those years and perform the following procedures for each of the semi-annual allocations.
 - a. Verify elements of the allocation formula to the general ledger. No exceptions noted as a result of applying agreed upon procedure
 - b. Verify percentage of collections attributable to Bossier Parish School Board calculation No exceptions noted as a result of applying agreed upon procedure
 - c. Verify all non-sales tax activity (property tax collections, occupational and other miscellaneous tax collections) expenses were excluded from the pool of expenses charged to Bossier Parish School Board
The Sales Tax Division's "joint costs and expenses" that the School Board pays a pro-rata share appears to include labor and related employee benefit costs for primarily two employees that are performing duties unrelated to sales tax collection. As background, the Sales Tax Division "joint costs and expenses" includes expenditures for collecting sales taxes, property taxes, occupational licenses, hotel/motel taxes, and other miscellaneous licenses and fees. Of these collections, the School Board only receives benefit from sales tax collections.
 - d. The actual allocation methodology used by the City of Bossier City to charge Bossier Parish School Board for its pro rata share of the City of Bossier City's Sales Tax Division expenses agrees to the contractual agreement identified as the "JOINT/AGREEMENT FOR COLLECTION OF SALES AND USE TAXES" between the City of Bossier City and the Bossier Parish School Board dated 12/7/1989
The first two paragraphs below are excerpts from the "Joint/Agreement for Collection of Sales and Use Taxes between the City of Bossier City and the Bossier Parish School Board:"
"In consideration for the reasonable and necessary joint costs and expenses incurred by the City in collecting and administering the Local Sales Taxes and administering the Local Sales Tax Ordinances as well as the various administrative and enforcement procedures established in said ordinances, the School Board shall reimburse the City of Bossier City, a pro-rata share of such costs based upon the School Board's percentage of total taxes collected. Other entities will reimburse the City 1% of the total amount of tax collected for the respective entity. Such costs and expenses shall include by way of illustration but not of limitation, all necessary costs and expenses incurred for supplies, operation and maintenance of vehicles, office equipment and printing, postage, rent, salaries, legal fees, and other related items contained in the annual budget."
"All extraordinary costs and expenses, that is, those not considered as incurred for the joint administration and collection of the local Sales Taxes shall be paid fully by the party or parties on whose behalf they were incurred.

Such costs and expenses may include start-up costs and litigation.”

Exception:

Considering the language included in the above excerpts from the Joint/Agreement that reads “. . . the School Board shall reimburse the City of Bossier City (City) , a pro-rata share of such costs based upon the School Board’s percentage of total taxes collected. . . .,” we would interpret the School Board’s pro-rata share to be the ratio of the School Board’s total sales taxes collected divided by the total sales tax collections for all taxing bodies, which results in approximately 36%, multiplied by the total joint costs and expenses of the Sales Tax Division. The City has been calculating the School Board’s pro-rata share by using a ratio of the School Board’s total sales taxes collected divided by the combined sales tax collections just for the School Board and the City, not total sales tax collections for all taxing bodies, multiplied by the total joint costs and expenses of the Sales Tax Division resulting in approximately 52%. Thus, the City’s application provides for an additional 16% of the collection costs and expenses being assessed to the School Board. Based on the City’s calculation of Sales Tax Division approximate average total joint costs and expenses in recent years of \$960,000 annually, the 16% additional assessment generated \$153,600 yearly in excess billing to the School Board. Reference is further made to “c.” above that provides an exception to the City’s calculation of total joint costs and expenses of the Sales Tax Division utilized in the hereabove calculation.

We were engaged by the Bossier Parish School 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 Bossier Parish School 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 the "Joint/Agreement for Collection of Sales and Use Taxes" dated 12/7/1989 between Bossier Parish School Board and the City of Bossier City, 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.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
November 8, 2024



November 8, 2024

The Bossier Parish School Board understands that the City of Bossier City is responsible for setting policy and procedures for the Sales Tax Division, and for adherence to the Joint Agreement for Collection of Sales and Use Taxes that was dated 12/7/1989. Bossier Parish School Board has also started meeting with the City of Bossier City to discuss revising this agreement with clearly defined terms and that the updated agreement terms are adhered to moving forward.

Sincerely,

Jason Rowland
Superintendent
Bossier Parish School Board

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Jason Rowland, Superintendent

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Tammy A. Smith - 183 Willow Bend Road, Benton, LA 71006 - District 3
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BOSSIER PARISH SCHOOL SYSTEM - "An Equal Opportunity Educational Agency"