

**Lincoln Parish Sales
And Use Tax Commission**

**Financial Statements
For the Year Ended June 30, 2016**



Lincoln Parish Sales and Use Tax Commission
Table of Contents
For the Year Ended June 30, 2016

	<u>Page</u>
Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-6
Basic Financial Statements	
Statement of Net Position	7
Statement of Activities	8
Balance Sheet – Governmental Funds	9
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	10
Statement of Fiduciary Net Position	11
Notes to the Financial Statements	12-16
Other Supplemental Information	
Schedule of Collections, Distributions and Undistributed Balances	18
Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head	19
Budgetary Comparison Schedule – General Fund	20
Notes to Budgetary Comparison Schedule	21
Independent Auditors' Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	22-23
Schedule of Findings and Questioned Costs	24-25
Schedule of Prior Year Findings	26
Management's Corrective Action Plan	27

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Lincoln Parish Sales & Use Tax Commission
Ruston, Louisiana

We have audited the accompanying financial statements of the governmental activities and the aggregate remaining fund information of the Lincoln Parish Sales and Use Tax Commission, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

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 aggregate remaining fund information of the Lincoln Parish Sales and Use Tax Commission, as of June 30, 2016, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-6 and 20 be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lincoln Parish Sales and Use Tax Commission's basic financial statements. The accompanying other financial information consisting of the schedule of compensation, reimbursements, benefits, and other payments to agency head on page 19 is presented for the purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information 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. Such 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 statement 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 other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standard's

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2016, on our consideration of Lincoln Parish Sales and Use Tax Commission'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 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 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 Lincoln Parish Sales and Use Tax Commission's internal control over financial reporting and compliance.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
December 16, 2016

**Lincoln Parish Sales And Use Tax Commission
Management's Discussion and Analysis
For the Year Ended June 30, 2016**

The Management's Discussion and Analysis of the Lincoln Parish Sales And Use Tax Commission's (The Commission) financial performance presents a narrative overview and analysis of Lincoln Parish Sales And Use Tax Commission's financial activities for the year ended June 30, 2016. The document focuses on the current year's activities, resulting changes, and currently known facts within the context of the accompanying basic financial statements and disclosures. We encourage readers to consider the information presented here in conjunction with the basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the Commission, on a government-wide basis, exceeded its liabilities at June 30, 2016 by \$24,140. Of this amount, \$1,124 is unrestricted. Assets exceeded liabilities by \$26,867 at June 30, 2015. Of this amount, \$16,407 was unrestricted.
- The Commission's total net position decreased by \$2,727 for the fiscal year ended June 30, 2016. This is mainly a result of lower program revenues. The Commission's total net position increased by \$11,181 for the fiscal year ended June 30, 2015.
- The unassigned fund balance of the general fund was \$1,124 and \$1,246 at June 30, 2016 and 2015 or .47 and .42% of the total general fund expenditures, respectively.
- The general fund reported \$122 deficit of revenues over expenditures at June 30, 2016. The general fund reported \$7,401 excess of revenues and expenditures at June 30, 2015.
- The Commission remitted \$47,773,133 and \$42,566,859 in taxes and interest to its member agencies for the fiscal years ended June 30, 2016 and 2015. This represents an increase of \$5,206,274 or 12.23% increase from 2015, and an increase of \$8,093,093, or 23.48% from the 2014 fiscal year, respectively.
- Operating expenses were approximately .51% and .70% of tax collections for the fiscal years ending June 30, 2016 and 2015.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special purpose Governments engages in fiduciary activities, established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements-and Management's Discussion and analysis-for State and Local Governments.

Management's Discussion and Analysis

Basic Financial Statements

Notes to Financial Statements

**Lincoln Parish Sales And Use Tax Commission
Management's Discussion and Analysis
For the Year Ended June 30, 2016**

The basic financial statements present information for the Commission as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Positions, Statement of Activities, Balance Sheet – Governmental Funds, and Statement of Fiduciary Net Position.

The notes provide additional information that is essential to a full understanding of the basic financial statements.

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the Lincoln Parish Sales & Use Tax Commission as a whole using accounting methods similar to those used by private-sector companies. The statement of position and the statement of activities, which are the government-wide statements, include all of the government's assets and liabilities using the accrual basis of accounting, similar to the accounting 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.

These two government-wide statements report the Commission's net position and how they have changed. Net Position – the difference between the Commission's assets and liabilities – are one way to measure the Commission's financial health, or financial position. Over time, increases or decreases in the Commission's net position are an indicator of whether its financial health is improving or deteriorating.

In the statement of position and the statement of activities, the Commission is reported in one category:

- Governmental activities – Most of the Commission's basic services are included here, such as the activities of the police, garbage and trash collection, park, and general administration. Franchise fees, insurance taxes, traffic fines, and payments from other governments finance most of these activities.

FUND FINANCIAL STATEMENTS

The format of the fund financial statements will be more familiar to traditional users of government financial statements. The fund financial statements provide more detailed information about the Commission's most significant funds – not the Commission as a whole. Funds are accounting mechanisms that the Commission uses to keep track of specific sources of funding and spending for particular purposes.

The Commission has two kinds of funds:

- Governmental funds – Most of the Commission's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances remaining at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Commission's programs. Because this information does not encompass the long-term focus of the government-wide statements, additional information is provided on a

**Lincoln Parish Sales And Use Tax Commission
Management's Discussion and Analysis
For the Year Ended June 30, 2016**

subsequent page that explains the relationship (or differences) between the government-wide and fund statements.

- Fiduciary funds – Funds collected on behalf of others. The Commission collects and remits sales and use taxes for its member agencies.

The Total Governmental Funds column requires reconciliation because of the different measurement focus from the government-wide statements (current financial resources versus total economic resources) which is reflected at the bottom of each statement. The flow of current financial resources will reflect interfund transfers as other financing sources as well as capital expenditures as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the Governmental Activities column (in the government-wide statements).

FINANCIAL STATEMENTS ANALYSIS OF THE ENTITY

The following are condensed financial statements of the Commission:

Statement of Net Position

		June 30,	
		2016	2015
		(As Restated)	
Assets			
Cash	\$	3,457	\$ 786
Receivables		18,751	18,897
Capital Assets, net		23,016	25,621
Total Assets	\$	45,224	\$ 45,304
Liabilities And Net Position			
Accounts Payable and Accrued Expenses	\$	18,951	\$ 17,578
Internal Balances		2,133	859
Total Liabilities		21,084	18,437
Total Net Position		24,140	26,867
Total Liabilities and Net Position	\$	45,224	\$ 45,304

**Lincoln Parish Sales And Use Tax Commission
Management's Discussion and Analysis
For the Year Ended June 30, 2016**

Statement of Activities

	June 30,	
	2016	2015 (As Restated)
Revenues		
Intergovernmental Revenues	\$ 91,824	\$ 147,890
Charges For Services	148,803	142,171
Total Revenues	240,627	290,061
Expenses		
Personnel Expenses	190,986	232,267
Professional Services	9,213	9,533
Operating Expenses	32,423	30,525
Travel	4,424	1,798
Depreciation	6,308	4,757
Total Expenses	243,354	278,880
Changes in Net Position	(2,727)	11,181
Net Position at beginning of year	26,867	15,686
Net Position at end of year	\$ 24,140	\$ 26,867

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Commission's investment in capital assets for its governmental activities as of June 30, 2016 and 2015 amounted to \$23,016 and \$25,621 and (net of depreciation). This investment includes computer equipment and furniture and fixtures. There is no outstanding debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Sales tax collections have been fairly level for the past twelve months. Lincoln Parish is expecting this trend to continue, but we are unsure how long it will continue.

The 2016/2017 budget is \$332,473, which is an decrease from 2015/2016 of \$2,730.

CONTACTING THE COMMISISON'S MANAGEMENT

This financial report is designed to provide a general overview of the Lincoln Parish Sales and Use Tax Commission's fiduciary activities. If you have questions about this report or need additional financial information, contact Denise Griggs, Administrator, at (318) 251-8624.

Lincoln Parish Sales and Use Tax Commission
Statement of Net Position
June 30, 2016

Assets	Governmental Activities	Total
Cash and Cash Equivalents	\$ 3,457	\$ 3,457
Receivables	18,751	18,751
Capital Assets, net of Depreciation	23,016	23,016
Total Assets	\$ 45,224	\$ 45,224
Liabilities and Net Position		
Liabilities		
Accounts Payable and Accrued Expenses	\$ 18,951	\$ 18,951
Internal Balances	2,133	2,133
Total Liabilities	21,084	21,084
Net Position		
Invested in Capital Assets, Net of Related Debt	23,016	23,016
Unrestricted	1,124	1,124
Total Net Position	24,140	24,140
Total Liabilities and Net Position	\$ 45,224	\$ 45,224

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

**Lincoln Parish Sales and Use Tax Commission
Statement of Activities
For The Year Ended June 30, 2016**

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets Primary Government</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total</u>
Primary Government:						
Governmental Activities:						
General Government	\$ 243,354	\$ 148,803	\$ 91,824	\$ -	\$ (2,727)	\$ (2,727)
Total Governmental Activities	<u>\$ 243,354</u>	<u>\$ 148,803</u>	<u>\$ 91,824</u>	<u>\$ -</u>	<u>\$ (2,727)</u>	<u>\$ (2,727)</u>
Total Primary Government	<u>\$ 243,354</u>	<u>\$ 148,803</u>	<u>\$ 91,824</u>	<u>\$ -</u>	<u>\$ (2,727)</u>	<u>\$ (2,727)</u>

General Revenues:

Interest Income	-	-
Miscellaneous	-	-
Total General Revenues	<u>-</u>	<u>-</u>
Changes in Net Position	(2,727)	(2,727)
Net Position - Beginning	42,028	42,028
Prior Period Adjustment	(15,161)	(15,161)
Net Position - Ending	<u>\$ 24,140</u>	<u>\$ 24,140</u>

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

**Lincoln Parish Sales and Use Tax Commission
Balance Sheet
Governmental Funds
For The Year Ended June 30, 2016**

	General Fund	Total Governmental Funds
Assets		
Cash and Cash Equivalents	\$ 3,457	\$ 3,457
Due From Taxing Bodies	18,751	18,751
Total Assets	\$ 22,208	\$ 22,208
Liabilities and Fund Balances		
Liabilities		
Accounts Payable and Accrued Expenses	\$ 18,951	\$ 18,951
Due To Other Funds	2,133	\$ 2,133
Total Liabilities	21,084	21,084
Fund Balances		
Unassigned	1,124	1,124
Total Fund Balances	1,124	1,124
Total Liabilities and Fund Balances	\$ 22,208	

Amounts reported for *Governmental Activities* in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore not reported in the funds

23,016

Net Assets of Governmental Activities

\$ 24,140

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

Lincoln Parish Sales and Use Tax Commission
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
June 30, 2016

	General Fund	Total Governmental Funds
Revenues		
Intergovernmental	\$ 91,824	\$ 91,824
Charges for Services	148,803	148,803
Total Revenues	240,627	240,627
Expenditures		
General Government		
Personnel Services	190,986	190,986
Professional Services	9,213	9,213
Operating Expenses	32,423	32,423
Travel	4,424	4,424
Capital Expenditures	3,703	3,703
Total Expenditures	240,749	240,749
Excess (Deficit) of Revenues over Expenditures	(122)	(122)
Fund Balances, Beginning of Year	16,407	
Prior Period Adjustment	(15,161)	
Fund Balances, End of Year	\$ 1,124	
 Net Changes in Fund Balances - Total Governmental Funds		(122)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital assets purchased capitalized		3,703
Depreciation expense		(6,308)
		(2,605)
Changes in Net Assets in Governmental Activities		\$ (2,727)

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

Lincoln Parish Sales and Use Tax Commission
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

Assets		
Cash and Cash Equivalents		\$ 432,418
Due From Other Funds		2,133
Total Assets		<u>\$ 434,551</u>
Liabilities		
Liabilities		
Due To Taxing Bodies		\$ 2,133
Sales Tax Paid Under Protest		432,418
Total Liabilities		<u>434,551</u>

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

Lincoln Parish Sales And Use Tax Commission
Notes to Financial Statements
For The Year Ended June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lincoln-Ruston Sales and Use Tax Division was created as a joint venture of the City of Ruston and Lincoln Parish School Board in 1967 to serve as an agency for the collection of sales and use taxes levied by the two authorities. In 1975, the Lincoln Parish Police Jury became a participant in the venture. In 1992, the City of Grambling and the Town of Dubach became participating agencies in this venture. The Lincoln Parish Sales and Use Tax Commission (the Commission) was then created in December 1993. The Village of Choudrant became a participant in 2003. The Lincoln Parish Fire Protection District No. 1 was added in 2009. The Lincoln Parish Sheriff's Office was added in July, 2012.

The Cooperative Endeavor Agreement authorizes the Commission as the single tax collector for the parish, to enter into agreements with any other public bodies located within Lincoln Parish for the collection of any sales and use taxes and hotel/motel taxes authorized by such other public bodies, beginning January 1, 1994. The operations of the Commission are under the direction of an administrator appointed by the seven participating agencies. The appointment of the administrator can be revoked by a majority vote of the six agencies. The seven agencies established the Commission composed of nine members, two from the City of Ruston, Lincoln Parish School Board, and Lincoln Parish Police Jury, and one member each from the City of Grambling, Town of Dubach, Village of Choudrant.

The Commission has the authority and is empowered to collect, enforce and administer the respectable sales and use taxes and hotel/motel taxes of the various parties to this agreement. By mutual consent, these seven authorities and the Ruston/Lincoln Convention and Visitors Bureau share in the costs of operation of the Commission and is subsequently reimbursed, on a monthly basis, by the City of Ruston, Lincoln Parish School Board, Lincoln Parish Police Jury, City of Grambling, Town of Dubach, Village of Choudrant, the Ruston/Lincoln Convention and Visitors Bureau, and the Lincoln Parish Fire Protection District No. 1 for their prorate share each. The Commission generates no revenue, but is simply a conduit for revenues of the participating agencies.

In April 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In November 1984, GASB issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for the state and local government.

The Commission adopted the provisions of GASB Statement No. 34 Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments, Statement No. 34 established standards for external reporting for all state and local governmental entities. The Commission is a special-purpose government. It is considered a joint cooperative endeavor of the participating governmental units and, therefore issues financial statements separate from the participants and their governmental components.

Lincoln Parish Sales And Use Tax Commission
Notes to Financial Statements
For The Year Ended June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Fund Accounting

The accounts of the Commission are organized on a fund basis whereby a set of self-balancing accounts comprises its assets, liabilities, additions, distributions, and other disbursements, and other disbursements.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

C. Cash and Cash Equivalents

For reporting purposes, cash represents interest bearing demand deposits. Under state law, the Commission may deposit funds within a fiscal agent bank organized under the laws of any other state in the union, or the laws of the United States. Further, the Commission may invest in the deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principle offices in Louisiana.

D. Sales and Use Taxes – Distribution of Funds

Sales and use tax collections are distributed monthly based on the tax rates levied by each governmental body. At June 30, 2016, the following rates were in effect:

City of Ruston	1.75%
Lincoln Parish Police Jury	.75%
Lincoln Parish School Board	2.00%
City of Grambling	2.25%
Town of Dubach	1.00%
Village of Choudrant	1.25%
Lincoln Parish Fire District No. 1	.25%
Ruston/Lincoln CVB	4.00%
Lincoln Parish Sheriff's Office	.25%

Lincoln Parish Sales And Use Tax Commission
Notes to Financial Statements
For The Year Ended June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Capital Assets

General capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets with an original cost of at least \$500 are carried at cost. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 3 to 7 years for software, computer equipment, and furniture.

NOTE 2 - CASH AND CASH EQUIVALENTS

At June 30, 2016, the Commission's had cash equivalents (book balances) as follows:

Interest-bearing demand deposits	<u>\$435,873</u>
----------------------------------	------------------

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at June 30, 2016, are secured as follows:

Bank Balances	<u>\$484,467</u>
---------------	------------------

The bank balances at June 30, 2016 were covered by Federal Deposit Insurance (FDIC). In addition, the financial institution has pledged securities of approximately \$4,776,563 held to cover account balances in excess of \$250,000 during each month.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Commission that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 – OPERATING EXPENSES

The Commission's employees are covered under the Lincoln Parish Police Jury's benefits and retirement systems. As discussed in Note 1, the seven participating agencies share the operating expenses of the Lincoln Parish Sales and Use Tax Commission on a pro rata basis. The operating expenses of the Commission for the 12 months ended June 30, 2016, were \$240,749, which is approximately .51% of tax collections.

Lincoln Parish Sales And Use Tax Commission
Notes to Financial Statements
For The Year Ended June 30, 2016

NOTE 4 – CAPITAL ASSETS

The following is a summary of changes in Capital Assets during the fiscal year in Governmental Activities:

	<u>Balance 6/30/2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2016</u>
Furniture & Fixtures	\$ 11,500	\$ -	\$ -	\$ 11,500
Computer Software & Equipment	46,175	3,703	-	49,878
Vehicles	17,745	-	-	17,745
Total Fixed Assets	75,420	3,703	-	79,123
Accumulated Depreciation	49,799	-	6,308	56,107
Net Capital Assets	\$ 25,621	\$ 3,703	\$ 6,308	\$ 23,016

Governmental Activities depreciation for the fiscal year ended June 30, 2016 totaled \$6,308.

NOTE 5 – SCHEDULE OF TAX COLLECTIONS AND DISTRIBUTIONS

The following information is presented on cash basis for the fiscal year ended June 30, 2016:

<u>Taxing Authority and Rate (%)</u>	<u>Total Collections</u>	<u>Collection Costs</u>	<u>Final Distribution</u>
City of Ruston (1.75%)	\$ 10,594,052	\$ 21,303	\$ 10,572,749
Lincoln Parish Police Jury (.75%)	8,599,410	16,323	8,583,087
Lincoln Parish School Board (2.0%)	22,919,181	43,556	22,875,625
Lincoln Parish Sheriff's Office (.25%)	2,858,997	5,429	2,853,568
City of Grambling (2.25%)	518,819	1,020	517,799
Town of Dubach (1.0%)	120,963	256	120,707
Village of Choudrant (1.25%)	327,779	561	327,218
Lincoln Parish Fire District No. 1 (.25%)	1,223,576	2,151	1,221,425
Ruston/Lincoln Convention & Visitors Bureau (4.0%)	610,356	1,222	609,134
Totals	\$ 47,773,133	\$ 91,821	\$ 47,681,312

Lincoln Parish Sales And Use Tax Commission
Notes to Financial Statements
For The Year Ended June 30, 2016

NOTE 6 – COMMITMENTS AND CONTINGENCIES

The Commission from time to time is involved in disputes and litigation with taxpayers over the taxability of certain items. When taxes are paid under protest, the disputed funds are deposited in a separate bank account until the dispute is resolved. At June 30, 2016, the Commission held \$432,418 in protested tax remittances.

NOTE 7 – COLLECTION SERVICES FOR OTHER PARISHES

The Commission signed a tax collection agreement with Union Parish in November, 2010, and began collecting sales and use taxes in January, 2011. LPSUTC will receive a fee of 1% of collections for the calendar years 2012 thru 2016. Total fees collected during the fiscal year ended June 30, 2016 was \$148,803.

NOTE 8 – PRIOR PERIOD ADJUSTMENT

The Commission's beginning net position was reduced by \$15,161 to correct the amounts due from participating agencies as of June 30, 2015.

NOTE 9 - SUBSEQUENT EVENTS

Date of Management Evaluation

Management has evaluated subsequent events through December 16, 2016, the date on which the financial statements were available to be issued.

OTHER SUPPLEMENTAL INFORMATION

Lincoln Parish Sales and Use Tax Commission
Schedule of Collections, Distributions, and Undistributed Balances
Fiduciary Funds
For the Year Ended June 30, 2016

Collections:	
Sales and use tax	\$ 47,161,922
Hotel/Motel tax	610,352
Interest received	2,133
Total Collections	<u>47,774,407</u>
 Distributions:	
City of Ruston	10,572,749
Lincoln Parish Police Jury	8,583,087
Lincoln Parish School Board	22,875,625
Lincoln Parish Sheriff	2,853,568
City of Grambling	517,799
Town of Dubach	120,707
Village of Choudrant	327,218
Lincoln Parish Fire District No. 1	1,221,425
Ruston/Lincoln Convention & Visitors Bureau	609,134
Operating Expenses Withheld From Distributions	91,821
Total Distributions	<u>47,773,133</u>
Collections Less Distributions	1,274
Undistributed balances at beginning of year	<u>417,695</u>
Taxes Paid Under Protest	15,582
Undistributed balances at end of year	<u>\$ 434,551</u>

See Independent Auditors' Report.

Lincoln Parish Sales and Use Tax Commission
Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head
For the Year Ended June 30, 2016

Schedule 2

Agency Head: Administrator

Denise
Griggs

Purpose:

Salary	\$ 54,590
Benefits - Payroll Taxes, Insurance, Retirement	18,039
Reimbursements	-
Total Compensation, Benefits and Other Payments	<u><u>\$ 72,629</u></u>

**Third Judicial District Public Defender Fund
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Favorable (Unfavorable)</u>
Revenues				
Intergovernmental	\$ 186,400	\$ 91,926	\$ 91,824	\$ (102)
Charges For Services	148,803	148,803	148,803	-
Interest Earned	-	-	-	-
Total Revenues	<u>335,203</u>	<u>240,729</u>	<u>240,627</u>	<u>(102)</u>
Expenditures				
General Government				
Personnel Services	259,435	190,690	190,986	(296)
Professional Services	18,000	9,363	9,213	150
Operating Expenses	46,768	32,568	32,423	145
Travel	6,000	4,424	4,424	-
Capital Expenditures	5,000	3,703	3,703	-
Total Expenditures	<u>335,203</u>	<u>240,748</u>	<u>240,749</u>	<u>(1)</u>
Excess (Deficit) of Revenues over Expenditures	<u>-</u>	<u>(19)</u>	<u>(122)</u>	<u>(103)</u>
Fund Balances, Beginning of Year	16,407	16,407	16,407	-
Fund Balances, End of Year	<u>\$ 16,407</u>	<u>\$ 16,388</u>	<u>\$ 16,285</u>	<u>\$ (103)</u>

See independent auditors' report.

Lincoln Parish Sales & Use Tax Commission
Notes to Budgetary Comparison Schedule
For the Year Ended June 30, 2016

The Commission annually adopts a budget for the General Fund. All appropriations are legally controlled at the board level for the General Fund. On May 20, 2015, the District approved the original adopted budget reflected in the financial statements. One amendment was made for the year.

The budgets are integrated into the accounting system, and the budgetary data, as presented in the financial statements for all funds with annual budgets, compare the expenditures with the amended budgets. All budgets are presented on the modified accrual basis of accounting. Accordingly, the accompanying Budgetary Comparison Schedule for the General Fund presents actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. Unexpected appropriations on annual budgets lapse at the end of each fiscal year.

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

**INDEPENDENT AUDITORS' 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**

Board of Commissioners
Lincoln Parish Sales and Use Tax Commission
Ruston, 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 aggregate remaining fund information, of the Lincoln Parish Sales and Use Tax Commission, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Lincoln Parish Sales and Use Tax Commission's basic financial statements, and have issued our report thereon dated December 16, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Lincoln Parish Sales and Use Tax Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lincoln Parish Sales and Use Tax Commission'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Lincoln Parish Sales and Use Tax Commission’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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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.

Compton, Hines & Company (APAC)

West Monroe, Louisiana
December 16, 2016

**Lincoln Parish Sales & Use Tax Commission
Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2016**

Section II- Financial Statement Findings

There were no findings for the fiscal year ended June 30, 2016.

Section III- Federal Award Findings and Question Costs

This section is not applicable for this entity.

Lincoln Parish Sales & Use Tax Commission
Schedule of Prior Year Findings
For the Year Ended June 30, 2016

Internal Control and Compliance Material to the Financial Statements

There were no findings for the year ended June 30, 2015.

Management Letter

No management letter was issued.

**Lincoln Parish Sales & Use Tax Commission
Management's Corrective Action Plan
For The Year Ended June 30, 2016**

Section II- Financial Statement Findings

There were no findings for the fiscal year ended June 30, 2016.