

**Lincoln Parish Sales
And Use Tax Commission**

**Financial Statements
For the Year Ended June 30, 2014**



Douglas A. Brewer, LLC
Certified Public Accountant

Lincoln Parish Sales and Use Tax Commission
Table of Contents
For the Year Ended June 30, 2014

	<u>Page</u>
Independent Auditor's 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	12-15
Other Supplemental Information	
Schedule of Collections, Distributions and Undistributed Balances	17
Budgetary Comparison Schedule – General Fund	18
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 <i>Government Auditing Standards</i>	19-20
Schedule of Findings and Questioned Costs	21-22
Schedule of Prior Year Findings	23
Management's Corrective Action Plan	24

Douglas A. Brewer, LLC

Certified Public Accountant

500 North Trenton

P.O. Box 1250

Ruston, LA 71273-1250

Phone: (318) 255-8244 Fax: (318) 255-8245

INDEPENDENT AUDITOR'S REPORT

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

I 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, 2014, 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.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinions

In my 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, 2014, 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 18 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during our audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standard's

In accordance with *Government Auditing Standards*, I have also issued my report dated November 7, 2014, on my consideration of Lincoln Parish Sales and Use Tax Commission's internal control over financial reporting and on my 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 my 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.

Douglas A. Brewer, LLC

Ruston, Louisiana
November 7, 2014

**Lincoln Parish Sales And Use Tax Commission
Management's Discussion and Analysis
For the Year Ended June 30, 2014**

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, 2014. 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, 2014 by \$15,686. Of this amount, \$9,006 is unrestricted. Assets exceeded liabilities by \$3,733 at June 30, 2013. Of this amount, \$116 was unrestricted.
- The Commission's total net position increased by \$11,953 for the fiscal year ended June 30, 2014. This is mainly a result of lower operating costs. The Commission's total net position decreased by \$13,350 for the fiscal year ended June 30, 2013.
- The unassigned fund balance of the general fund was \$9,006 and \$116 at June 30, 2014 and 2013 or 3.12 and .04% of the total general fund expenditures, respectively.
- The general fund reported \$8,890 excess of revenues over expenditures at June 30, 2014. The general fund reported a \$-0- excess of revenues and expenditures at June 30, 2013.
- The Commission remitted \$34,473,766 and \$32,628,136 in taxes and interest to its member agencies for the fiscal years ended June 30, 2014 and 2013. This represents an increase of \$1,845,630 or 5.66% increase from 2013, and an increase of \$2,267,866, or 7.47% from the 2012 fiscal year, respectively.
- Operating expenses were approximately .83% and 1.17% of tax collections for the fiscal years ending June 30, 2014 and 2013.

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, 2014**

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, 2014**

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,	
	2014	2013
Assets		
Cash	\$ 319	\$ 300
Receivables	33,713	36,377
Capital Assets, net	6,680	3,617
Total Assets	\$ 40,712	\$ 40,294
Liabilities And Net Position		
Accounts Payable and Accrued Expenses	\$ 24,513	\$36,615
Internal Balances	513	946
Total Liabilities	25,026	36,561
Total Net Position	15,686	3,733
Total Liabilities and Net Position	\$ 40,712	\$ 40,294

**Lincoln Parish Sales And Use Tax Commission
Management's Discussion and Analysis
For the Year Ended June 30, 2014**

Statement of Activities

	June 30,	
	2014	2013
Revenues		
Intergovernmental Revenues	\$ 173,168	\$ 259,741
Charges For Services	125,015	119,073
Total Revenues	298,183	378,814
Expenses		
Personnel Expenses	227,485	291,672
Professional Services	25,356	43,638
Operating Expenses	29,174	36,640
Travel	1,602	6,564
Depreciation	2,613	13,350
Total Expenses	286,230	392,164
Changes in Net Position	12,687	(13,350)
Net Position at beginning of year	3,733	17,083
Net Position at end of year	\$ 15,686	\$ 3,733

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Commission of Junction Commission's investment in capital assets for its governmental activities as of June 30, 2014 and 2013 amounted to \$6,680 and \$3,617 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 2014/2015 budget is \$372,793, which is an increase from 2013/2014 of \$2,820.

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 Jerry W. Moore, Administrator, at (318) 251-8624.

Lincoln Parish Sales and Use Tax Commission
Statement of Net Position
June 30, 2014

	<u>Governmental Activities</u>	<u>Total</u>
Assets		
Cash and Cash Equivalents	\$ 319	\$ 319
Receivables	33,713	33,713
Capital Assets, net of Depreciation	6,680	6,680
Total Assets	<u>\$ 40,712</u>	<u>\$ 40,712</u>
 Liabilities and Net Position		
Liabilities		
Accounts Payable and Accrued Expenses	\$ 24,513	\$ 24,513
Internal Balances	513	513
Total Liabilities	<u>25,026</u>	<u>25,026</u>
 Net Position		
Invested in Capital Assets, Net of Related Debt	6,680	6,680
Unrestricted	9,006	9,006
Total Net Position	<u>15,686</u>	<u>15,686</u>
 Total Liabilities and Net Position	 <u>\$ 40,712</u>	 <u>\$ 40,712</u>

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, 2014

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</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>Primary Government Total</u>
Primary Government:						
Governmental Activities:						
General Government	\$ 286,230	\$ 125,015	\$ 173,168	\$ -	\$ 11,953	\$ 11,953
Total Governmental Activities	<u>\$ 286,230</u>	<u>\$ 125,015</u>	<u>\$ 173,168</u>	<u>\$ -</u>	<u>\$ 11,953</u>	<u>\$ 11,953</u>
Total Primary Government	<u>\$ 286,230</u>	<u>\$ 125,015</u>	<u>\$ 173,168</u>	<u>\$ -</u>	<u>\$ 11,953</u>	<u>\$ 11,953</u>

General Revenues:

Interest Income	-	-
Miscellaneous	-	-
Total General Revenues	<u>-</u>	<u>-</u>
Changes in Net Position	11,953	11,953
Net Position - Beginning	3,733	3,733
Net Position - Ending	<u>\$ 15,686</u>	<u>\$ 15,686</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, 2014

	General Fund	Total Governmental Funds
Assets		
Cash and Cash Equivalents	\$ 319	\$ 319
Due From Taxing Bodies	33,713	\$ 33,713
Total Assets	\$ 34,032	\$ 34,032
Liabilities and Fund Balances		
Liabilities		
Accounts Payable and Accrued Expenses	\$ 24,513	\$ 24,513
Due To Other Funds	513	\$ 513
Total Liabilities	25,026	25,026
Fund Balances		
Unassigned	9,006	9,006
Total Fund Balances	9,006	9,006
Total Liabilities and Fund Balances	\$ 34,032	

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

6,680

Net Assets of Governmental Activities

\$ 15,686

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, 2014

	General Fund	Total Governmental Funds
Revenues		
Intergovernmental	\$ 173,168	\$ 173,168
Charges for Services	125,015	125,015
Total Revenues	298,183	298,183
Expenditures		
General Government		
Personnel Services	227,485	227,485
Professional Services	25,356	25,356
Operating Expenses	29,174	29,174
Travel	1,602	1,602
Capital Expenditures	5,676	5,676
Total Expenditures	289,293	289,293
Excess (Deficit) of Revenues over Expenditures	8,890	8,890
Fund Balances, Beginning of Year	116	
Fund Balances, End of Year	\$ 9,006	
Net Changes in Fund Balances - Total Governmental Funds		8,890
<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		5,676
Depreciation expense		(2,613)
		3,063
Changes in Net Assets in Governmental Activities		\$ 11,953

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, 2014

Assets	
Cash and Cash Equivalents	\$ 438,638
Due From Other Funds	513
Total Assets	<u>\$ 439,151</u>

Liabilities	
Liabilities	
Due To Taxing Bodies	\$ 513
Refunds to Taxpayers	57,311
Sales Tax Paid Under Protest	<u>381,327</u>
Total Liabilities	<u>439,151</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, 2014

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 prorata 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, 2014

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, 2014, 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	2.00%
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, 2014

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, 2014, the Commission's had cash equivalents (book balances) as follows:

Interest-bearing demand deposits	<u>\$438,958</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, 2014, are secured as follows:

Bank Balances	<u>\$483,551</u>
---------------	------------------

The bank balances at June 30, 2014 were covered by Federal Deposit Insurance (FDIC). In addition, the financial institution has pledged securities of approximately \$4,174,994 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, 2014, were \$289,293, which is approximately .83% of tax collections.

Lincoln Parish Sales And Use Tax Commission
Notes to Financial Statements
For The Year Ended June 30, 2014

NOTE 4 – 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, 2014, the Commission held \$381,327 in protested tax remittances.

NOTE 5 – 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 2014. Total fees collected during the fiscal year ended June 30, 2014 was \$125,015.

NOTE 6 – SCHEDULE OF TAX COLLECTIONS AND DISTRIBUTIONS

The following information is presented on cash basis for the fiscal year ended June 30, 2014:

Taxing Authority and Rate (%)	Total Collections	Collection Costs	Final Distribution
City of Ruston (1.75%)	\$ 8,924,449	\$ 47,713	\$ 8,876,736
Lincoln Parish Police Jury (.75%)	5,968,055	29,351	5,938,704
Lincoln Parish School Board (2.0%)	15,914,627	78,271	15,836,356
Lincoln Parish Sheriff's Office (.25%)	1,988,577	9,029	1,979,548
City of Grambling (2.0%)	475,151	2,653	472,498
Town of Dubach (1.0%)	100,760	480	100,280
Village of Choudrant (1.25%)	208,162	1,357	206,805
Lincoln Parish Fire District No. 1 (.25%)	592,758	2,102	590,656
Ruston/Lincoln Convention & Visitors Bureau (4.0%)	474,395	2,212	472,183
Totals	\$ 34,646,934	\$ 173,168	\$ 34,473,766

NOTE 7 - SUBSEQUENT EVENTS

Date of Management Evaluation

Management has evaluated subsequent events through November 7, 2014, 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, 2014

Collections:

Sales and use tax	\$ 34,207,167
Hotel/Motel tax	439,454
Interest received	313
Total Collections	34,646,934

Distributions:

City of Ruston	8,876,736
Lincoln Parish Police Jury	5,938,704
Lincoln Parish School Board	15,836,356
Lincoln Parish Sheriff	1,979,548
City of Grambling	472,498
Town of Dubach	100,280
Village of Choudrant	206,805
Lincoln Parish Fire District No. 1	590,656
Ruston/Lincoln Convention & Visitors Bureau	472,183
Operating Expenses Withheld From Distributions	173,168
Total Distributions	34,646,934

Collections Less Distributions

Undistributed balances at beginning of year	187,036
Taxes Paid Under Protest	195,150
Undistributed balances at end of year	\$ 382,186

See Independent Auditor's Report.

**Lincoln Parish Sales and Use Tax Commission
Budgetary Comparison Schedule – General Fund
For The Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final	GAAP Basis	Favorable (Unfavorable)
Revenues				
Intergovernmental	\$ 250,973	\$ 250,973	\$ 173,168	\$ (77,805)
Charges For Services	119,000	119,000	125,015	6,015
Interest Earned	-	-	-	-
Total Revenues	369,973	369,973	298,183	(71,790)
Expenditures				
General Government				
Personnel Services	279,113	279,113	227,485	51,628
Professional Services	33,000	33,000	25,356	7,644
Operating Expenses	43,860	43,860	29,174	14,686
Travel	6,000	6,000	1,602	4,398
Capital Expenditures	8,000	8,000	5,676	2,324
Total Expenditures	369,973	369,973	289,293	80,680
Excess (Deficit) of Revenues over Expenditures	-	-	8,890	8,890
Fund Balances, Beginning of Year	116	116	116	-
Fund Balances, End of Year	\$ 116	\$ 116	\$ 9,006	\$ 8,890

See Independent Auditor's Report.

Douglas A. Brewer, LLC

Certified Public Accountant

500 North Trenton

P.O. Box 1250

Ruston, LA 71273-1250

Phone: (318) 255-8244 Fax: (318) 255-8245

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*

Board of Commissioners
Lincoln Parish Sales and Use Tax Commission
Ruston, Louisiana

I 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, 2014, 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 my report thereon dated November 7, 2014.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I 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, I 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.

My 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 my audit I did not identify any deficiencies in internal control that I 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, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and is described in the accompanying schedule of findings and questioned costs as item 2014-01.

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. Under Louisiana Revised Statute 24:513, this report is to be distributed by the Legislative Auditor as a public document.

Douglas A. Brewer, LLC

Ruston, Louisiana
November 7, 2014

**Lincoln Parish Sales & Use Tax Commission
Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2014**

I have audited the financial statements of the Lincoln Parish Sales & Use Tax Commission as of and for the year ended June 30, 2014, and have issued my report thereon dated November 7, 2014. I conducted my 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. My audit of the financial statements as of June 30, 2014, resulted in an unmodified opinion.

Section I- Summary of Auditors' Reports

A. Independent Auditor's Report on Internal Control and Compliance Material to the Financial Statements

	<u>Yes</u>	<u>No</u>
<u>Internal Control</u>		
Material Weaknesses		X
Significant Deficiencies		X
<u>Compliance</u>		
Noncompliance Material to Financial Statements	X	

B. Federal Awards – N/A

C. Identification of Major Programs: N/A

**Lincoln Parish Sales & Use Tax Commission
Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2014**

Section II- Financial Statement Findings

2014-01 Budget Authority and Control

Condition:

It was noted that actual revenues on the general fund were below the total budgeted revenues by more than five percent.

Recommendation:

The Commission should amend it's budget when situations occur that would cause it not to meet it budgetary goals by 5 percent or more during the fiscal year.

Response:

The Commission will monitor the actual expenditures, as well as revenues, closer as they relate to the adopted budgets and will adopt amendments to the original budget when it becomes necessary.

Status:

Cleared.

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, 2014**

Internal Control and Compliance Material to the Financial Statements

There were no findings for the year ended June 30, 2013.

Management Letter

No management letter was issued.

**Lincoln Parish Sales & Use Tax Commission
Management's Corrective Action Plan
For The Year Ended June 30, 2014**

Section II- Financial Statement Findings

2014-01 Budget Authority and Control

Condition:

It was noted that actual revenues on the general fund were below the total budgeted revenues by more than five percent.

Recommendation:

The Commission should amend it's budget when situations occur that would cause it not to meet it budgetary goals by 5 percent or more during the fiscal year.

Management's Response:

We will monitor the actual expenditures, as well as revenues, closer as they relate to the adopted budgets and will adopt amendments to the original budget when it becomes necessary in the future.