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**LINCOLN PARISH SALES AND USE TAX COMMISSION
HUSTON, LOUISIANA**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1968**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the Auditor, or Assessor, and other appropriate public officials. This report is available for public inspection at the District Account Office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/11/68

LINCOLN PARISH SALES AND USE TAX COMMISSION
HUSTON, LOUISIANA

FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1988

CONTENTS

	PAGE
FINANCIAL SECTION	
INDEPENDENT AUDITOR'S REPORT	2-3
FINANCIAL STATEMENTS:	
Statements of Assets and Liabilities - Cash Basis	5
Statement of Sales Tax Collections, Distributions, and Changes in Undistributed Balances - Cash Basis	6
Notes to Financial Statements	7-10
SUPPLEMENTARY REPORTS AND INFORMATION	
Independent Auditor's Report on Internal Control Structure Related Matters Noted in a Financial Statement Audit Conducted in Accordance with Government Auditing Standards	13-14
Independent Auditor's Report on Compliance with Laws and Regulations Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	16-17

FINANCIAL SECTION

RADIAN L. HENNIGAN
Certified Public Accountant
1903 Goodwin Road
Baton Rouge, LA 71270
338-355-8938

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Lincoln Parish Sales & Use Tax Commission
Baton Rouge, LA 71270

I have audited the accompanying financial statements of the Lincoln Parish Sales & Use Tax Commission as of June 30, 1998, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of Lincoln Parish Sales & Use Tax Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As described in Note 1, the Lincoln Parish Sales & Use Tax Commission prepares its financial statements on the cash basis of accounting which demonstrates compliance with the budget laws of Louisiana. This basis of accounting is a comprehensive basis of accounting other than generally accepted accounting principles.

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the Statement of Assets and Liabilities - Cash Basis of the Lincoln Parish Sales & Use Tax Commission as of June 30, 1998, and the related Statements of Sales Tax Collections, Distributions, and Changes in the Undistributed Balances for the year then ended on the basis of accounting as described in Note 1.

**Board of Commissioners
Lincoln Parish Sales and Use Tax Commission
Page 2**

In accordance with Government Auditing Standards, we have also issued a report dated August 12, 1998, on our consideration of the Lincoln Parish Sales & Use Tax Commission's internal control structure and a report dated August 12, 1998, on its compliance with laws and regulations.

This report is intended for the information of the Board of Commissioners, management, and Legislative Auditor of the state of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Respectfully,



Rodian L. Hennigan
Certified Public Accountant

August 12, 1998

FINANCIAL STATEMENTS

LINCOLN PARISH SALES AND USE TAX COMMISSION
HUSTON, LOUISIANA

STATEMENTS OF ASSETS AND LIABILITIES - CASH BASIS
JUNE 30, 1998

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1997)

	JUNE 30 1998	JUNE 30 1997
ASSETS		
Cash	<u>2,095,664</u>	<u>1,858,531</u>
LIABILITIES		
Due to other agencies - interest income held for future distribution to:		
City of Huston	7,107	9,514
Lincoln Parish Police Jury	4,107	5,584
Lincoln Parish School Board	8,199	11,166
City of Grand Isle	252	300
Town of Dubach	57	60
Lincoln Parish Convention & Visitors Commission	180	197
Taxes Held in Protest	<u>2,075,760</u>	<u>1,821,678</u>
TOTAL LIABILITIES	<u>2,095,664</u>	<u>1,858,531</u>

**LINCOLN PARISH SALES AND USE TAX COMMISSION
BOSTON, LOUISIANA**

**STATEMENTS OF TAX COLLECTIONS, DISTRIBUTIONS, AND
CHANGES IN UNDISTRIBUTED BALANCES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 1988
(WITH COMPARATIVE TOTALS FOR JUNE 30, 1987)**

	JUNE 30 1988	JUNE 30 1987
	<u> </u>	<u> </u>
UNDISTRIBUTED BALANCES AT BEGINNING OF YEAR	<u>1,858,531</u>	<u>1,348,867</u>
 COLLECTIONS:		
Sales and Use Tax	14,887,340	14,316,534
Taxes Paid Under Protest	155,758	512,780
Interest Earned	<u>189,572</u>	<u>100,285</u>
 TOTAL COLLECTIONS	<u>15,132,670</u>	<u>15,329,599</u>
 TOTAL	<u>17,001,601</u>	<u>16,678,467</u>
 DISTRIBUTIONS:		
City of Boston	5,287,430	5,249,498
Lincoln Parish Police Jury	3,188,968	3,831,682
Lincoln Parish School Board	6,204,967	6,889,512
City of Greensburg	192,141	172,611
Lincoln Parish Convention & Visitors Commission	149,834	137,533
Town of Delcade	<u>42,607</u>	<u>43,669</u>
 TOTAL DISTRIBUTIONS	<u>14,615,937</u>	<u>14,719,865</u>
 UNDISTRIBUTED BALANCES AT END OF YEAR	<u>2,085,664</u>	<u>1,858,531</u>

LINCOLN PARISH SALES AND USE TAX COMMISSION
RUSTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1994

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lincoln Ruston Sales and Use Tax Division (the Division) was created as a joint venture of the City of Ruston and Lincoln Parish School Board in 1963 to serve as an agency for the collection of sales and use taxes levied by the two taxing authorities. In 1975, the Lincoln Parish Police Jury became a participant in the venture. In 1982, 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 Cooperative Exclusion 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 five participating agencies. The appointment of the administrator can be revoked by a majority vote of the five agencies. The five agencies established the Commission composed of eight members, two from City of Ruston, Lincoln Parish School Board, and Lincoln Parish Police Jury, and one member each from City of Grambling, and Town of Dubach. The Commission has the authority and is empowered to collect, enforce and administer the respective sales and use taxes and Hotel/Motel taxes of the various parties to this agreement. By mutual consent, the five authorities share in the costs of operations for the Commission on a pro rata basis. The City of Ruston provides office space, employees, supplies, and other necessary expenses for the day-to-day operation of the Commission and is subsequently reimbursed, on a monthly basis, by the Lincoln Parish School Board, Lincoln Parish Police Jury, City of Grambling, and Town of Dubach for their pro rata share each. The Commission generates no revenue, but is simply a conduit for revenues of the five 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.

LINCOLN PARISH SALES AND USE TAX COMMISSION
BUSTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1998

For financial reporting purposes, in conformance with GASB Codification Section 2100, the Commission includes all funds, account groups, and activities that are within the oversight responsibility of the Commission. The Commission is considered a joint cooperative endeavor of the participating governmental units and, therefore, issues financial statements separate from the participants and their governmental components.

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, collections, and distributions.

B. BASIS OF ACCOUNTING

Basis of accounting refers to when collections and distributions are recognized in the accounts and reported in the financial statements. Basis of accounting refers to the timing of the measurement made, regardless of the measurement focus applied. The cash basis of accounting is followed by the Commission in recording collections and distributions:

Collections:

Sales and use tax collection and interest earned on deposits are recorded in the month received by the Commission.

Distributions:

Sales and use tax and interest distributions are recorded in the month transferred to the recipient bodies.

C. CASH

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

**LINCOLN PARISH SALES AND USE TAX COMMISSION
HUSTON, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1998**

Commission may invest in the deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal 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, 1998, the following rates were in effect:

	<u>JUNE 30</u> <u>1998</u>
City of Ruston	1.75%
Lincoln Parish Police Jury	.75%
Lincoln Parish School Board	1.50%
City of Grambling	2.00%
Town of Dulac	1.00%

NOTE 2 - CASH

At year end, the carrying amount of the Commission's deposits was \$2,995,664 and the bank balance was \$3,289,407. The bank balance is categorized as follows:

Amount insured by the FDIC	<u>\$ 289,000</u>
Amount collateralized with securities held by the pledging financial institution's trust department of agent in the Commission's name	<u>4,347,243</u>
Less: Bank balance	<u>3,289,407</u>
Overcollateralized at June 30, 1998	<u>1,647,836</u>

**LINCOLN PARISH SALES AND USE TAX COMMISSION
RUSTON, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1998**

The Commission's investments at year end are categorized below to give an indication of the level of risk assumed by the Commission at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Commission or its agents in the Commission's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Commission's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the Commission's name.

	CATEGORY			MARKET VALUE
	1	2	3	
Various Bonds and Government Mortgages	-\$-	\$ 4,347,243	-\$-	\$ 4,347,243

NOTE 3 - LITIGATION AND CLAIMS

The Lincoln Parish Sales & Use Tax Commission has an on-going suit with a local vendor that remains unresolved at June 30, 1998. The suit includes the majority of funds in the tax protest account at June 30, 1998, of approximately \$2.0 million. The Commission is not aware of any other unsettled claims.

NOTE 4 - OPERATING EXPENSES

The Commission's employees are employees of the Lincoln Parish Police Jury and the City of Ruston, and are, therefore, covered under the City and Police Jury's benefit and retirement systems. Therefore, all benefits are not an expense of the Commission. As discussed in Note 1, the five participating agencies share the operating expenses of the Lincoln Parish Sales and Use Tax Commission on a pro-rata basis. The operating expense of the Commission for the 12 months ended June 30, 1998, was approximately \$147,000 or approximately one percent of collections.

SUPPLEMENTARY REPORTS AND INFORMATION

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE RELATED MATTERS NOTED IN A FINANCIAL
STATEMENT AUDIT CONDUCTED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

RADIAN L. HENNIGAN
Certified Public Accountant
1945 Goodwin Road
Baton, LA 71278
514-253-9389

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL,
STRUCTURE RELATED MATTERS NOTED IN A FINANCIAL
STATEMENT AUDIT CONDUCTED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners
Lincoln Parish Sales and Use Tax Commission
Baton, LA 71270

I have audited the financial statements of Lincoln Parish Sales and Use Tax Commission, (the Commission) Baton, Louisiana for the year ended June 30, 1998, and have issued my report thereon dated August 31, 1998.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing my audit of the financial statements of the Commission, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure.

The management of the Commission is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operations of policies and procedures may deteriorate.

**Board of Commissioners
Louisiana Parishes Sales and Use Tax Commission
Page 7**

For the purpose of this report, I have classified the significant internal control structure policies and procedures in the following categories:

- Cash.

For the control category listed above, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed the control risk.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above.

This report is intended for the information of the Board of Commissioners, management, and Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Respectfully,



**Radin L. Henriquez
Certified Public Accountant**

August 12, 1998

**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE WITH LAWS AND REGULATIONS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

RAIMAN L. HINNIGAN
Certified Public Accountant
1503 Goodwin Road
Baton, LA 71279
318-255-9968

**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE WITH LAWS AND REGULATIONS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners
Lincoln Parish Sales and Use Tax Commission
Baton, LA 71279

I have audited the accompanying financial statements of the Lincoln Parish Sales and Use Tax Commission (the Commission), Baton, Louisiana as of and for the year ended June 30, 1998, and have issued my report thereon dated August 12, 1998.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, and contracts applicable to the Lincoln Parish Sales and Use Tax Commission, Baton, Louisiana is the responsibility of the Commission's management. As part of obtaining reasonable assurance about whether the financial statements referred to above are free of material misstatement, I performed tests of the Commission's compliance with certain provisions of laws, regulations, contracts, and grants. However, my objective was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests indicate that, with respect to the items tested, the Lincoln Parish Sales and Use Tax Commission, Baton, Louisiana complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe the Commission had not complied, in all material respects, with those provisions.

**Board of Commissioners
Lincoln Parish Sales and Use Tax Commission
Page 2**

This report is intended for the information of the Board of Commissioners, management, and Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Respectfully,



Rodan L. Herzig
Certified Public Accountant

August 12, 1998