

GENERAL LONG-TERM DEBT ACCOUNT GROUP

The general long-term debt account group is used to account for unmatured principal amounts on general long-term debt expected to be financed from governmental type funds. Payment on maturing obligations under capitalized leases are accounted for in the fund which services the lease obligation.

NATCHITOCHEs TAX COMMISSION
NATCHITOCHEs, LOUISIANA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 1996

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NATCHITOCHEs TAX COMMISSION
NATCHITOCHEs, LOUISIANA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date NOV 20 1996

AGENCY FUND

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments, and other funds.

Tax Collector Fund - Louisiana Revised Statute 33:2844 provides for the creation of a single tax collector of sales and use taxes within a parish. The Tax Collector Fund is used to account for the collection of sales and use taxes, various licenses, and property taxes and the distribution of such taxes and fees to the appropriate taxing bodies.

NATCHITOCHEs TAX COMMISSION
NATCHITOCHEs, LOUISIANA
TAX COLLECTOR AGENCY FUND
BALANCE SHEET
JUNE 30, 1996 AND 1995

		<u>1996</u>	<u>1995</u>
	ASSETS		
Cash		<u>\$ 20,003</u>	<u>\$ 30,882</u>
	LIABILITIES		
Due to taxing bodies		<u>\$ 20,003</u>	<u>\$ 30,882</u>

The accompanying notes are an integral part of this statement.

NATCHITOCHEs TAX COMMISSION
NATCHITOCHEs, LOUISIANA
TAX COLLECTOR AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 1996

ASSETS	<u>BALANCE</u> <u>JULY 1, 1995</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 1996</u>
Cash	<u>\$ 30,882</u>	<u>\$12,190,778</u>	<u>\$12,201,657</u>	<u>\$ 20,003</u>
LIABILITIES				
Due to taxing bodies	<u>\$ 30,882</u>	<u>\$12,190,778</u>	<u>\$12,201,657</u>	<u>\$ 20,003</u>

The accompanying notes are an integral part of this statement.

GENERAL FIXED ASSETS ACCOUNT GROUP

The general fixed assets account group is used to account for fixed assets not used in proprietary fund operations or accounted for in trust funds.

NATCHITOCHEs TAX COMMISSION
NATCHITOCHEs, LOUISIANA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 1996

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NATCHITOCHEs TAX COMMISSION
NATCHITOCHEs, LOUISIANA
STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
FOR THE YEAR ENDED JUNE 30, 1996

	<u>FURNITURE & FIXTURES</u>	<u>OFFICE EQUIPMENT</u>	<u>COMPUTER EQUIPMENT & SOFTWARE</u>	<u>PARKING LOT</u>	<u>TOTAL</u>
General fixed assets, beginning of year	\$ 10,946	\$ 11,712	\$ 47,062	\$ 3,493	\$73,213
Additions:					
General fund revenues	1,530	0	12,611	0	14,141
Deletions:					
Equipment sold	<u>75</u>	<u>0</u>	<u>8,580</u>	<u>0</u>	<u>8,655</u>
General fixed assets, end of year	<u>\$ 12,401</u>	<u>\$ 11,712</u>	<u>\$ 51,093</u>	<u>\$ 3,493</u>	<u>\$78,699</u>

The accompanying notes are an integral part of this statement.

NATCHITOCHEs TAX COMMISSION
NATCHITOCHEs, LOUISIANA
STATEMENT OF GENERAL LONG-TERM DEBT
JUNE 30, 1996

<u>AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT</u>	<u>ACCUMULATED UNPAID VACATION</u>
Amount to be provided for payment of compensated absences	<u>\$ 3,763</u>
 <u>GENERAL LONG-TERM DEBT PAYABLE</u>	
Estimated liabilities for compensated absences	<u>\$ 3,763</u>

The accompanying notes are an integral part of this statement.

NATCHITOCHEs TAX COMMISSION
NATCHITOCHEs, LOUISIANA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Expenditures: (continued)			
Capital outlay	\$ 13,000	\$ 12,611	\$ 389
Total expenditures	<u>244,744</u>	<u>237,868</u>	<u>6,876</u>
Excess/(Deficiency) of Revenue over Expenditures	<u>\$ 0</u>	(4,800)	<u>\$ (4,800)</u>
Fund Balance at Beginning of Year		<u>57,880</u>	
Fund Balance at End of Year		<u>\$ 53,080</u>	

The accompanying notes are an integral part of this statement.

OTHER SUPPLEMENTARY INFORMATION

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED
ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Randy Lucky, Chairman and Members
of the Board of Directors
Natchitoches Tax Commission
P. O. Box 639
Natchitoches, LA 71457

We have audited the general purpose financial statements and the combining and individual fund and account group financial statements of the Natchitoches Tax Commission, Natchitoches, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated September 18, 1996.

We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Natchitoches Tax Commission, Natchitoches, Louisiana, is the responsibility of the Natchitoches Tax Commission's management. As part of obtaining reasonable assurance about whether the general purpose, combining and individual fund and account group financial statements are free of material misstatement, we performed tests of the Tax Commission's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the management of the Natchitoches tax Commission and the 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.

Hines, Jackson & Hines
Natchitoches, Louisiana
September 18, 1996

HINES, JACKSON & HINES
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Randy Lucky, Chairman and Members
of the Board of Directors
Natchitoches Tax Commission
P. O. Box 639
Natchitoches, Louisiana

We have audited the general purpose financial statements and the combining and individual fund and account group financial statements of the Natchitoches Tax Commission, Natchitoches, Louisiana, for the year ended June 30, 1996, and have issued our report thereon dated September 18, 1996.

We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the Natchitoches Tax Commission, Natchitoches, Louisiana, 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 operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Natchitoches Tax Commission, Natchitoches, Louisiana, for the year ended June 30, 1996, we obtain an understanding of the internal control structure with respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our 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 general purpose 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

Randy Lucky, Chairman and Members
of the Board of Directors
Page 2

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

Hines, Jackson & Hines
Natchitoches, Louisiana
September 18, 1996

NATCHITOCHEs TAX COMMISSION
NATCHITOCHEs, LOUISIANA
STATEMENT OF GENERAL FIXED ASSETS - BY SOURCE
JUNE 30, 1996 AND 1995

	<u>1996</u>	<u>1995</u>
General fixed assets:		
Furniture & fixtures	\$ 12,401	\$ 10,946
Office equipment	11,712	11,712
Computer equipment & software	51,093	47,062
Parking lot	<u>3,493</u>	<u>3,493</u>
Total general fixed assets	<u>\$ 78,699</u>	<u>\$ 73,213</u>
Investment in general fixed assets:		
Contributed by other governments	\$ 11,786	\$ 11,786
General fund revenues	31,924	26,438
Capital leases	<u>34,989</u>	<u>34,989</u>
Total investment in general fixed assets	<u>\$ 78,699</u>	<u>\$ 73,213</u>

The accompanying notes are an integral part of this statement.

FINANCIAL STATEMENTS
OF INDIVIDUAL FUNDS
AND ACCOUNT GROUPS

NATCHITOCHEs TAX COMMISSION
NATCHITOCHEs, LOUISIANA
SCHEDULE OF COLLECTIONS, DISTRIBUTIONS AND UNSETTLED BALANCES
FOR THE YEARS ENDED JUNE 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
UNSETTLED BALANCES AT JULY 1,	\$ 30,882	\$ 58,762
COLLECTIONS		
Ad valorem taxes	689,002	638,224
Ad valorem tax redemptions	41,968	64,028
Ad valorem tax costs	11,938	21,015
Alcoholic beverage licenses	36,629	38,214
Christmas Festival fees	20,600	16,825
Hotel/Motel tax	131,742	138,113
Grass cutting	1,650	1,750
Insurance licenses	258,273	268,872
Interest earned on:		
Delinquent taxes	1,918	1,251
NSF checks & Miscellaneous	944	4,695
Occupational licenses	314,351	292,585
Sales and use taxes	<u>10,681,763</u>	<u>10,009,031</u>
Total collections	<u>12,190,778</u>	<u>11,494,603</u>
Total available for distribution	12,221,660	11,553,365
DISTRIBUTIONS		
City of Natchitoches	5,970,767	5,146,934
Natchitoches Parish Police Jury	1,891,142	2,011,916
Village of Clarence	23,073	19,288
Village of Natchez	5,255	5,611
Village of Campti	83,775	83,429
Village of Robeline	11,401	11,787
Natchitoches Parish School Board	3,919,321	3,887,639
Natchitoches Tax Commission	6,272	10,757
Natchitoches Tourist Commission	127,790	138,112
Demolitions	11,925	16,650
Christmas Festival Committee	20,600	16,825
Refunds to taxpayers, other agencies	90,092	108,532
Revenue Recovery	0	2,876
Tax sale property purchasers	<u>40,244</u>	<u>62,127</u>
Total distributions	<u>12,201,657</u>	<u>11,522,483</u>
UNSETTLED BALANCES AT JUNE 30, DUE TO TAXING BODIES	<u>\$ 20,003</u>	<u>\$ 30,882</u>

Supplementary schedule. Presented as additional analytical data.

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INDEPENDENT AUDITORS' REPORT
ON THE FINANCIAL STATEMENTS

Randy Lucky, Chairman and Members
of the Board of Directors
Natchitoches Tax Commission
P. O. Box 639
Natchitoches, LA 71457

We have audited the accompanying general purpose financial statements and the combining and individual fund and account group financial statements of the Natchitoches Tax Commission, Natchitoches, Louisiana, as of June 30, 1996, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the Natchitoches Tax Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our 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 we 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Natchitoches Tax Commission, Natchitoches, Louisiana, as of June 30, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining and individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the Natchitoches Tax Commission, Natchitoches, Louisiana, as of June 30, 1996, and the results of operations of such funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with Governmental Auditing Standards, we have also issued a report dated September 18, 1996 on our consideration of the Natchitoches Parish Tax Commission's internal control structure and a report dated September 18, 1996 on its compliance with laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining and individual fund and account group financial statements. The financial information listed as "Schedules" in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Natchitoches Tax Commission, Natchitoches, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, combining and individual fund and account group financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements of each of the respective individual funds and account groups taken as a whole.

NATCHITOCHEs TAX COMMISSION
NATCHITOCHEs, LOUISIANA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Intergovernmental:			
City of Natchitoches	\$ 112,322	\$ 108,684	\$ (3,638)
Natchitoches Parish Police Jury	27,227	23,706	(3,521)
Natchitoches Parish School Board	85,095	81,470	(3,625)
Miscellaneous	20,100	17,754	(2,346)
Interest revenue	<u>0</u>	<u>1,454</u>	<u>1,454</u>
Total revenues	244,744	233,068	(11,676)
Expenditures:			
Current:			
General government:			
Salaries and related benefits:			
Tax supervisor	31,359	31,359	0
Assistant tax collectors	52,500	51,061	1,439
Tax auditor	24,410	24,410	0
Salary reimbursements	0	0	0
Contract professional services	6,400	5,340	1,060
Payroll taxes	850	549	301
Medicare taxes	1,614	1,732	(118)
Health Insurance	20,651	17,174	3,477
Workers' compensation insurance	2,000	1,496	504
Retirement	<u>8,710</u>	<u>8,103</u>	<u>607</u>
Total salaries and related benefits	148,494	141,224	7,270
Operating services:			
Advertising	2,500	2,432	68
Auditing	5,100	5,100	0
Bank service charges	850	1,122	(272)
Building & grounds maintenance	1,710	1,527	183
Insurance	3,600	2,847	753
Janitorial	2,400	2,400	0
Legal & professional	11,500	13,727	(2,227)
Miscellaneous	4,500	4,255	245
Office supplies	5,500	4,727	773
Pest control	240	256	(16)
Postage	9,500	11,215	(1,715)
Printing	2,400	2,497	(97)
Professional dues & publications	2,000	2,359	(359)
Rent	6,600	6,600	0
Security System	600	450	150
Software maintenance	500	236	264
Supplies	1,000	871	129
Telephone	3,500	2,774	726
Utilities	3,750	3,893	(143)
Equipment lease	7,500	7,911	(411)
Equipment maintenance	1,500	216	1,284
Equipment supplies	<u>2,500</u>	<u>2,333</u>	<u>167</u>
Total operating services	79,250	79,748	(498)
Travel and other charges:			
Travel	4,000	4,285	(285)

(Continued)

The accompanying notes are an integral part of this statement.

NATCHITOCHEs TAX COMMISSION
NATCHITOCHEs, LOUISIANA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 1996 AND 1995

	<u>1996</u>	<u>1995</u>
Excess of Revenues Over (Under) Expenditures	\$ (4,800)	\$ 31,529
Other Financing Sources:		
Sale of Asset	<u>0</u>	<u>507</u>
Excess of Revenues and Other Sources Over (Under) Expenditures	(4,800)	32,036
Fund Balance at Beginning of Year	<u>57,880</u>	<u>25,844</u>
Fund Balance at End of Year	<u>\$ 53,080</u>	<u>\$ 57,880</u>

The accompanying notes are an integral part of this statement.

NATCHITOCHEs TAX COMMISSION
NATCHITOCHEs, LOUISIANA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED JUNE 30, 1996 AND 1995

	<u>1996</u>	<u>1995</u>
Revenues:		
Intergovernmental:		
City of Natchitoches	\$ 108,684	\$ 131,789
Natchitoches Parish Police Jury	23,706	32,813
Natchitoches Parish School Board	81,470	87,201
Miscellaneous	17,754	9,837
Interest revenue	<u>1,454</u>	<u>1,484</u>
Total revenues	233,068	263,124
Expenditures:		
Current:		
General government:		
Salaries and related benefits:		
Tax supervisor	31,359	30,442
Assistant tax collectors	51,061	37,154
Tax auditor	24,410	23,714
Salary reimbursements	0	10,468
Contract professional services	5,340	14,544
Payroll taxes	549	951
Medicare taxes	1,732	1,356
Health Insurance	17,174	16,728
Workers' compensation insurance	1,496	1,824
Retirement	<u>8,103</u>	<u>8,511</u>
Total salaries and related benefits	141,224	145,692
Operating services:		
Advertising	2,432	3,556
Auditing	5,100	5,200
Bank service charges	1,122	371
Building & grounds maintenance	1,527	992
Insurance	2,847	2,952
Janitorial	2,400	2,400
Legal & professional	13,727	14,782
Miscellaneous	4,255	3,155
Office supplies	4,727	4,757
Pest control	256	240
Postage	11,215	7,837
Printing	2,497	2,216
Professional dues & publications	2,359	2,244
Rent	6,600	6,600
Security system	450	750
Software maintenance	236	166
Supplies	871	636
Telephone	2,774	3,392
Utilities	3,893	3,215
Equipment lease	7,911	5,096
Equipment maintenance	216	2,501
Equipment supplies	<u>2,333</u>	<u>2,052</u>
Total operating services	79,748	75,110
Travel and other charges:		
Travel	4,285	3,331
Capital outlay	<u>12,611</u>	<u>7,462</u>
Total current expenditures	<u>237,868</u>	<u>231,595</u>

(Continued)

The accompanying notes are an integral part of this statement.

GENERAL FUND

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

NATCHITOCHEs TAX COMMISSION
NATCHITOCHEs, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1996

8. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligations transactions during the year:

Long-term Obligations Payable at July 1, 1995	Compensated Absences \$ 2,747
Additions	1,016
Reductions	<u>0</u>
Long-term Obligations Payable at June 30, 1996	<u>\$ 3,763</u>

9. LITIGATION

The Tax Commission's attorney advises that, as of June 30, 1996, the Natchitoches Tax Commission has been named as a Defendant in a litigation matter filed in East Baton Rouge Parish, Louisiana. This litigation involves the assertion of claims by a class of plaintiffs for the refund of sales and/or use taxes paid to the Natchitoches Tax Commission with respect to vehicles originally registered in other states and thereafter brought to Louisiana. There are approximately 68 defendants, including tax collectors in and for each of the 64 parishes in the State of Louisiana. This case has not been set for trial and it is too premature to evaluate the likelihood of an unfavorable outcome and estimate the Natchitoches Tax Commission's potential loss.

NATCHITOCHEES TAX COMMISSION
NATCHITOCHEES, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1996

4. PENSION PLAN (continued)

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

Plan members are required by state statute to contribute 7.50 percent of their annual covered salary and the Natchitoches Tax Commission is required to contribute at an actuarially determined rate. The current rate is 12.00 percent of annual covered payroll. The contribution requirements of plan members and the Natchitoches Tax Commission are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employee contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior year. The Natchitoches Tax Commission's contributions to the system for the years ended June 30, 1996 and 1995 were \$8,103 and \$7,041, respectively, equal to the required contributions for each year.

5. CASH AND CASH EQUIVALENTS

Louisiana Revised Statutes authorize the Tax Commission to invest in United States bonds, treasury notes or certificates, time certificates of deposit, or any other federally insured investments.

At June 30, 1996, the Natchitoches Tax Commission has cash and cash equivalents totaling \$67,610, as follows:

	<u>General Fund</u>	<u>Agency Fund</u>	<u>Total</u>
Demand deposits	\$ 9,597	\$ 20,003	\$ 29,600
Interest-bearing demand deposits	37,305	0	37,305
Petty cash and cash on hand	<u>705</u>	<u>0</u>	<u>705</u>
Total cash and cash equivalents	<u>\$ 47,607</u>	<u>\$ 20,003</u>	<u>\$ 67,610</u>

The Tax Commission has no investments at June 30, 1996. All bank balances of deposits as of June 30, 1996 are entirely insured by federal depository insurance.

6. OPERATING LEASE OBLIGATIONS

The Tax Commission is obligated under various leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore the results of the lease agreements are not reflected in the Commission's account groups. These leases are for building and office space, land, and a copier. The terms of the building and office space and land leases are one year each with four renewal options with monthly payments of \$525 and \$50, respectively. The terms of the copier lease is three years with monthly payments of \$270. The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 1996:

<u>Year Ending, June 30</u>	<u>Amounts</u>
1997	\$10,140
1998	<u>3,240</u>
Total minimum payments required	<u>\$13,380</u>

Lease expenditures for the year ended June 30, 1996 amounted to \$9,840.

7. CAPITAL LEASE OBLIGATIONS

The Natchitoches Tax Commission was not obligated under any capital lease commitments at June 30, 1996.

NATCHITOCHESES TAX COMMISSION
NATCHITOCHESES, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1996

2. AD VALOREM TAXES (CONTINUED)

GASB Codification Section P70 (Revenue Recognition - Property Taxes) which states that such revenue is recorded when it becomes measurable and available. Available means due, or past due and receivable within the current period and collected no longer than 60 days after the close of the current period.

The Tax Commission bills and collects City of Natchitoches property taxes using the assessed values determined by the tax assessor of Natchitoches Parish.

For the year ended June 30, 1996, the Tax Commission collected taxes of 17.03 mills for the City of Natchitoches on property with assessed valuations totaling \$37,870,070. Total taxes levied by the City on the assessed property was \$644,428, of which \$642,590 was collected. The Louisiana Tax Commission issued change orders totaling \$2,338. There were no taxes receivable for the 1995 tax year at June 30, 1996.

3. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance			Balance
	July 1, 1995	Additions	Deletions	June 30, 1996
Furniture & Fixtures	\$ 10,946	\$ 1,530	\$ 75	\$ 12,401
Office Equipment	11,712	0	0	11,712
Computer Equipment & Software	47,062	12,611	8,580	51,093
Parking Lot	3,493	0	0	3,493
<u>Total</u>	<u>\$ 73,213</u>	<u>\$ 14,141</u>	<u>\$ 8,655</u>	<u>\$ 78,699</u>

4. PENSION PLAN

As provided in L.S.A. - R.S. 33:2844C(2), any employee of a political subdivision that levies a sales and use tax who becomes an employee of the tax commission, may remain a member of the retirement system in which he had been participating prior to the creation of the tax commission. All employees of the Tax Commission are members of the Parochial Employees Retirement System, a multiple-employer, public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Natchitoches Tax Commission are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one per cent of final average salary plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

Contributions to the System include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish, except New Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. State statute requires covered employees to contribute a percentage of their salaries to the System.

NATCHITOCHEs TAX COMMISSION
NATCHITOCHEs, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1996

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgetary practices

Annually, the Tax Commission adopts a budget for the General Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget, and public hearing on the budget. The budget is prepared based on a modified accrual basis of accounting.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. All budget appropriations lapse at year end.

F. Compensated Absences

Employees of the Tax Commission that have at least one year of service earn five days of annual leave, employees with two to ten years of service earn ten days of annual leave, employees with ten to twenty years of service earn fifteen days of annual leave, and employees with greater than twenty years of service earn twenty days of annual leave. Annual leave of up to thirty days may be carried forward and accumulated. The Tax Commission accrues a liability for compensated absences which meet the following criteria:

- (1) The Tax Commission's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
- (2) The obligation relates to rights that vest or accumulate.
- (3) Payment of the compensation is probable.
- (4) The amount can be reasonably estimated.

In accordance with the above criteria, the Tax Commission has accrued a liability for vacation pay which has been earned but not taken by Tax Commission employees. The liability for compensated absences at June 30, 1996 in the amount of \$3,763 has been recorded within the general long-term debt account group.

G. Total Columns on Combined Statements - Overview

Total columns on the combined statements - overview are captioned "(MEMORANDUM ONLY)" to indicate that they are presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

H. Comparative data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Commission's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

2. AD VALOREM TAXES

The Tax Commission collects ad valorem taxes levied by the City of Natchitoches. Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the City of Natchitoches in October and are actually billed by the Tax Commission to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year and penalties and interest are assessed. All ad valorem tax revenues are recognized in compliance with NCGA Interpretation - 3 and

NATCHITOCHEs TAX COMMISSION
NATCHITOCHEs, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 1996

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (continued)

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The financial reporting entity consists of (a) the primary government (the tax commission), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationships with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Based on the application of these criteria, the Natchitoches Tax Commission was determined not to be a component unit in any other financial reporting entity. The financial statements of the Natchitoches Tax Commission consist only of the funds and account groups of the Tax Commission since the Commission has no financial accountability or oversight responsibility for any other governmental entity.

B. Fund Accounting

The accounts of the Natchitoches Tax Commission are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into two generic fund types and two broad fund categories as follows:

Governmental Fund Types- These are the funds through which most governmental functions typically are financed.

General Fund

The General Fund is the general operating fund of the Tax Commission. It is used to account for all financial resources except those required to be accounted for in another fund.

Fiduciary Fund Types

These funds account for assets held by the Tax Commission as trustee or agent for individuals, private organizations, and other units of governments.

Agency Fund

The agency fund is used as a depository for sales and use taxes, ad valorem taxes, alcoholic beverage licenses, occupational licenses, insurance licenses, hotel/motel tax and festival fees. Disbursements from this fund are made to various taxing bodies located within the City and Parish of Natchitoches.

The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

C. Fixed Assets and Long-term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

NATCHITOCHEs TAX COMMISSION
NATCHITOCHEs, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided in L.S.A. - R.S. 33:2844, any sales and use tax levied by political subdivisions located within a single parish may be collected by a single tax collector for that parish. These political subdivisions are authorized by this statute to create a joint sales and use tax commission as an independent agency and instrumentality to collect, enforce, and administer the sales and use tax levied by all of the taxing authorities in that parish. Under the provisions of this statute, the tax commission must include two members appointed by each governing authority of each taxing jurisdiction which has collections equal to or greater than twenty percent of the total sales and use tax collections in the parish. The tax commission may, at its option, contract and make agreements with other local taxing authorities to collect taxes other than sales and use taxes.

On May 23, 1989, the City of Natchitoches, the Natchitoches Parish School Board, and the Natchitoches Parish Police Jury entered into a joint agreement under the provisions of L.S.A. - R.S. 33:2844, for the collection of sales and use taxes and other fees thereby creating the Natchitoches Tax Commission. This agreement empowers the Natchitoches Tax Commission to collect, enforce, and administer the respective sales and use taxes and other fees as have been and may be authorized and levied by the City, School Board, and Police Jury within the boundaries of the City of Natchitoches, Louisiana, and the Parish of Natchitoches, Louisiana, and may institute in the name of the commission suits to enforce the collection of such taxes.

The affairs of the commission are managed by a six member Board of Commissioners made up of the chief administrative officer and the director of finance of the City of Natchitoches; the treasurer and Parish administrator of the Natchitoches Parish Police Jury; and the director of business affairs and the supervisor of finance of the Natchitoches Parish School Board. The costs of establishing, operating, maintaining, and administering the Commission shall be borne jointly by the City, School Board, and Police Jury on a pro-rata basis on the ratio that the taxes collected for each bears to the total taxes collected during the preceding month.

The accounting and reporting policies of the Natchitoches Tax Commission conform to generally accepted accounting principles (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 and to the guides set forth in the Louisiana Governmental Audit Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies.

A. Reporting Entity

Governmental Accounting Standards Board Statement No. 14 established criteria for determining component units which should be considered part of a primary government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organizations governing body and
 - (a) The ability of the primary government to impose its will on that organization and/or
 - (b) The potential for the organization to provide specific financial benefits or to impose specific financial burdens on the primary government.
2. Organizations for which the primary government does not appoint a voting majority but are fiscally dependent on the primary government.

NATCHITOCHEs TAX COMMISSION
NATCHITOCHEs, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL
GOVERNMENTAL FUND TYPE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Intergovernmental	\$ 224,644	\$ 213,860	\$ (10,784)
Miscellaneous	20,100	17,754	(2,346)
Interest revenue	<u>0</u>	<u>1,454</u>	<u>1,454</u>
Total revenues	244,744	233,068	(11,676)
Expenditures:			
Current:			
General government:			
Salaries and related benefits	148,494	141,224	7,270
Operating Services	79,250	79,748	(498)
Travel and other charges	4,000	4,285	(285)
Capital Outlay	<u>13,000</u>	<u>12,611</u>	<u>389</u>
Total expenditures	<u>244,744</u>	<u>237,868</u>	<u>6,876</u>
Excess/(deficiency) of Revenues Over Expenditures	<u>\$ 0</u>	(4,800)	<u>\$ (4,800)</u>
Fund Balance at Beginning of Year		<u>57,880</u>	
Fund Balance at End of Year		<u>\$ 53,080</u>	

The accompanying notes are an integral part of this statement.

NATCHITOCHEs TAX COMMISSION
NATCHITOCHEs, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND TYPE - GENERAL FUND
FOR THE YEARS ENDED JUNE 30, 1996 AND 1995

	<u>1996</u>	<u>1995</u>
Revenues:		
Intergovernmental	\$ 213,860	\$ 251,803
Miscellaneous	17,754	9,837
Interest revenue	<u>1,454</u>	<u>1,484</u>
Total revenues	233,068	263,124
Expenditures:		
Current:		
General government:		
Salaries and related benefits	141,224	145,692
Operating Services	79,748	75,110
Travel and other charges	4,285	3,331
Capital Outlay	<u>12,611</u>	<u>7,462</u>
Total expenditures	<u>237,868</u>	<u>231,595</u>
Excess of Revenues Over (Under) Expenditures	(4,800)	31,529
Other Financing Sources:		
Sale of General Fixed Assets	<u>0</u>	<u>507</u>
Excess of Revenues and Other Sources Over (Under) Expenditures	(4,800)	32,036
Fund Balances at Beginning of Year	<u>57,880</u>	<u>25,844</u>
Fund Balances at End of Year	<u>\$ 53,080</u>	<u>\$ 57,880</u>

The accompanying notes are an integral part of this statement.

Randy Lucky, Chairman and Members
of the Board of Directors
Page 2

The financial information for the year ended June 30, 1995, which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion dated December 15, 1995, on the general purpose, combining and individual fund and account group financial statements of the Natchitoches Tax Commission, Natchitoches, Louisiana.

Hines, Jackson & Hines
Natchitoches, Louisiana
September 18, 1996

NATCHITOCHEs TAX COMMISSION
NATCHITOCHEs, LOUISIANA
GENERAL FUND
BALANCE SHEET
JUNE 30, 1996 AND 1995

ASSETS	<u>1996</u>	<u>1995</u>
Cash		
Due from City of Natchitoches	\$ 47,607	\$ 48,509
Due from Natchitoches Parish Police Jury	9,973	10,159
Due from Natchitoches Parish School Board	1,888	4,842
	<u>6,687</u>	<u>7,696</u>
Total assets	<u>\$ 66,155</u>	<u>\$ 71,206</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 5,813	\$ 7,016
Payroll taxes withheld and payable	1,601	1,564
Retirement withheld and payable	4,518	4,156
Insurance withheld and payable	1,143	292
Due to Natchitoches Parish School Board	<u>0</u>	<u>298</u>
Total liabilities	13,075	13,326
Fund balance:		
Unreserved - undesignated	<u>53,080</u>	<u>57,880</u>
Total liabilities and fund balance	<u>\$ 66,155</u>	<u>\$ 71,206</u>

The accompanying notes are an integral part of this statement.

NATCHITOCHE TAX COMMISSION
 NATCHITOCHE, LOUISIANA
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 1996

ASSETS	GOVERN- MENTAL FUND TYPE GENERAL	FIDUCIARY FUND TYPE AGENCY FUND	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	
			GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	1996	1995
Cash	\$47,607	\$ 20,003	\$ 0	\$ 0	\$ 67,610	\$ 79,391
Due from other governments	18,548	0	0	0	18,548	22,697
Property and Equipment	0	0	78,699	0	78,699	73,213
Amount to be provided for compensated absences	0	0	0	3,763	3,763	2,747
Total assets	<u>\$66,155</u>	<u>\$ 20,003</u>	<u>\$ 78,699</u>	<u>\$ 3,763</u>	<u>\$ 168,620</u>	<u>\$ 178,048</u>

LIABILITIES AND FUND EQUITY

Liabilities:	\$ 5,813	\$ 0	\$ 0	\$ 0	\$ 5,813	\$ 7,016
Accounts payable	1,601	0	0	0	1,601	1,564
Payroll taxes withheld and payable	4,518	0	0	0	4,518	4,156
Retirement withheld and payable	1,143	0	0	0	1,143	292
Insurance withheld and payable	0	0	0	0	0	298
Due to other governments	0	20,003	0	0	20,003	30,882
Due to taxing bodies	0	0	0	0	0	0
Liability for compensated absences	0	0	0	3,763	3,763	2,747
Total liabilities	13,075	20,003	0	3,763	36,841	46,955
Fund Equity:	0	0	78,699	0	78,699	73,213
Investment in general fixed assets	53,080	0	0	0	53,080	57,880
Fund balance - unreserved - undesignated	53,080	0	78,699	0	131,779	131,093
Total fund equity	<u>\$66,155</u>	<u>\$ 20,003</u>	<u>\$ 78,699</u>	<u>\$ 3,763</u>	<u>\$ 168,620</u>	<u>\$ 178,048</u>
Total liabilities and fund equity						

The accompanying notes are an integral part of this statement.