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**RED RIVER PARISH TAX AGENCY FUND
OF THE RED RIVER PARISH SCHOOL BOARD
Coushatta, Louisiana**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996**

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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 FEB 26 1997

**RED RIVER PARISH TAX AGENCY FUND
OF THE RED RIVER PARISH SCHOOL BOARD
Coushatta, Louisiana**

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996**

CONTENTS

	<u>STATEMENT</u>	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT		1
FINANCIAL STATEMENTS		
Statement of Assets and Liabilities	A	2
Statement of Changes in Assets and Liabilities	B	3
Notes to the Financial Statements		4-6
OTHER REPORTS REQUIRED BY <u>GOVERNMENT AUDITING STANDARDS</u> :		7
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF INDIVIDUAL FUND FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>		8-9
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH LAWS BASED ON AN AUDIT OF INDIVIDUAL FUND FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>		10-11



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INDEPENDENT AUDITORS' REPORT

BOARD MEMBERS
RED RIVER PARISH SCHOOL BOARD
Coushatta, Louisiana

We were engaged to audit the financial statements of the Red River Parish Tax Agency Fund of the Red River Parish School Board as of and for the year ended June 30, 1996 as listed in the table of contents. These financial statements are the responsibility of the Red River Parish School Board's management.

Management has refused to provide written representations as to its responsibility for the fair presentation of the financial statements and other matters which could materially affect the amounts and classification of items included in the financial statements. Such representations are required under generally accepted auditing standards.

Since the management of the School Board has refused to provide written representations as noted in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements referred to above.

As discussed in Note 1, the financial statements present only the Red River Parish Tax Agency Fund and are not intended to present fairly the financial position and results of operations of the Red River Parish School Board, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated October 3, 1996 on our consideration of the Red River Parish Tax Agency Fund's internal control structure and a report dated October 3, 1996 on its compliance with laws and regulations.

Allen Green & Robinette

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana
October 3, 1996

**RED RIVER PARISH TAX AGENCY FUND
OF THE RED RIVER PARISH SCHOOL BOARD
Coushatta, Louisiana**

STATEMENT A

**STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 1996**

ASSETS

Due from other governmental units	<u>\$644</u>
Total Assets	<u>\$644</u>

LIABILITIES

Due to other governmental units	\$644
Deposits due others	<u>-</u>
Total Liabilities	<u>\$644</u>

**RED RIVER PARISH TAX AGENCY FUND
OF THE RED RIVER PARISH SCHOOL BOARD
Coushatta, Louisiana**

STATEMENT B

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 1996**

	BALANCE JULY 1, <u>1995</u>	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, <u>1996</u>
<u>ASSETS</u>				
Cash	\$ -	\$2,369,281	\$2,369,281	\$ -
Due from other governmental units	<u>761</u>	<u>24,950</u>	<u>25,067</u>	<u>644</u>
	<u>\$761</u>	<u>\$2,394,231</u>	<u>\$2,394,348</u>	<u>\$644</u>
<u>LIABILITIES</u>				
Due to other governmental units	\$761	\$ 24,950	\$ 25,067	\$644
Deposits due others	<u>-</u>	<u>2,369,281</u>	<u>2,369,281</u>	<u>-</u>
	<u>\$761</u>	<u>\$2,394,231</u>	<u>\$2,394,348</u>	<u>\$644</u>

**RED RIVER PARISH TAX AGENCY FUND
OF THE RED RIVER PARISH SCHOOL BOARD
Coushatta, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1996**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Red River Parish Tax Agency Fund was formed under joint agreement of the Red River Parish School Board, the Red River Parish Police Jury, the Red River Parish Sheriff's Office, the Town of Coushatta and the Village of Hall Summit for the collection of sales, use taxes and other fees, in accordance with Louisiana Revised Statutes 33:2844.

A. REPORTING ENTITY

For financial reporting purposes, in conformance with GASB Statement No. 14, the Red River Parish Tax Agency Fund is an agency fund of the Red River Parish School Board. Accordingly, the accompanying financial statements present only the accounts of the tax agency fund and are not intended to present fairly the financial position and results of operations of the Red River Parish School Board in conformity with generally accepted accounting principles. The Red River Parish Tax Agency Fund is included as part of the general purpose financial statements of the Red River Parish School Board.

B. FUND ACCOUNTS

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term obligations) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories; governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The tax agency fund requires the use of a fiduciary fund as described below:

Fiduciary Fund — Sales Tax Collection Agency Fund Type

The Red River Parish Tax Agency Fund is used to account for the collection and distribution of sales and use taxes imposed by the various taxing authorities within the parish. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

**RED RIVER PARISH TAX AGENCY FUND
OF THE RED RIVER PARISH SCHOOL BOARD
Coushatta, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1996**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. FIXED ASSETS AND LONG-TERM OBLIGATIONS

Fixed assets used by the tax agency are accounted for in the general fixed asset account group of the Red River Parish School Board. The tax agency has no long-term obligations at June 30, 1996.

D. BASIS OF ACCOUNTING

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The basis of accounting for an agency fund is the modified accrual basis. The measurement focus is custodial, since the fund is not involved with the performance of governmental services. An agency fund has no revenues or expenditures and therefore there is no fund balance or need to measure the results of operations for a period.

E. BUDGETS

The custodial nature of an agency fund means there is no need to adopt a budgetary accounting system, therefore one has not been adopted.

F. VACATION, SICK LEAVE, AND PENSION PLANS

Employees at the Red River Parish Tax Agency Fund are employed by the Red River Parish School Board. The School Board is obligated for leave benefits and contributions to the pension system. Information on leave benefits and pension plans is available in the general purpose financial statements of the Red River Parish School Board for the year ended June 30, 1996.

**RED RIVER PARISH TAX AGENCY FUND
OF THE RED RIVER PARISH SCHOOL BOARD
Coushatta, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1996**

NOTE 2 - CHANGES IN DEPOSITS DUE OTHERS

A summary of changes in deposits due others is as follows:

Balance, July 1, 1995	\$ -
ADDITIONS:	
Sales tax collections	<u>2,369,281</u>
DEDUCTIONS:	
Taxes distributed to others:	
Red River Parish School Board	1,051,709
Red River Parish Police Jury	525,911
Red River Parish Sheriff's Office	526,077
Town of Coushatta	262,360
Village of Hall Summit	<u>3,224</u>
Total deductions	<u>2,369,281</u>
Balance, June 30, 1996	<u>\$ -</u>

NOTE 3 - LITIGATION

There are no claims pending against the Red River Parish Tax Agency Fund which would result in loss to the fund at June 30, 1996.

**RED RIVER PARISH TAX AGENCY FUND
OF THE RED RIVER PARISH SCHOOL BOARD
Coushatta, Louisiana**

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following pages contain reports on internal control structure and compliance with laws and regulations required by Government Auditing Standards issued by the Comptroller General of the United States. The report on internal control structure is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses. The report on compliance with laws and regulations is, likewise, based solely on the audit of the presented financial statements and presents, where applicable, compliance matters that would be material to the presented financial statements.



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF INDIVIDUAL FUND FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

BOARD MEMBERS
RED RIVER PARISH SCHOOL BOARD
Coushatta, Louisiana

We were engaged to audit the financial statements of the Red River Parish Tax Agency Fund of the Red River Parish School Board as of and for the year ended June 30, 1996, and have issued our report thereon dated October 3, 1996. Our report stated that because management has refused to provide written representations, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements referred to above.

We conducted our procedures in accordance with generally accepted auditing standards, 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.

As discussed in Note 1, the financial statements present only the Red River Parish Tax Agency Fund of the Red River Parish School Board and are not intended to present fairly the financial position and results of operation of the Red River Parish School Board in conformity with generally accepted accounting principles.

The management of the Red River Parish School Board 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 general-purpose 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 financial statements of the Red River Parish Tax Agency Fund of the Red River Parish School Board for the year ended June 30, 1996, we obtained 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 individual fund financial

BOARD MEMBERS
RED RIVER PARISH SCHOOL BOARD
Coushatta, Louisiana

statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

CONDITION:

Additional segregation of duties is needed in recording and depositing receipts of sales tax collections. Generally one person handles the majority of the transactions concerning sales tax receipts and deposits.

RECOMMENDATION:

The list of receipts should be compared to the monthly computerized sales journal and deposit tickets by someone other than the sales tax accountant.

MANAGEMENT'S RESPONSE:

Separation of duties will be implemented in the manner recommended.

A material weakness is a reportable condition in which the design or operation of one or more 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 individual fund 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition described above is a material weakness. This condition was considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the individual fund financial statements of the Red River Parish Tax Agency Fund for the year ended June 30, 1996.

This report is intended solely for the use of the Board Members and management, the Red River Parish Police Jury, the Red River Parish Sheriff's Office, the Town of Coushatta and the Village of Hall Summit. However, this report is a matter of public record and its distribution is not limited.

Allen Green & Robinette

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana
October 3, 1996



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

BOARD MEMBERS
RED RIVER PARISH SCHOOL BOARD
Coushatta, Louisiana

We were engaged to audit the financial statements of the Red River Parish Tax Agency Fund of the Red River Parish School Board as of and for the year ended June 30, 1996, and have issued our report thereon dated October 3, 1996. Our report stated that because management has refused to provide written representations, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements referred to above.

We conducted our procedures in accordance with generally accepted auditing standards, 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.

As discussed in Note 1, the financial statements present only the Red River Parish Tax Agency Fund of the Red River Parish School Board and are not intended to present fairly the financial position and results of operation of the Red River Parish School Board in conformity with generally accepted accounting principles.

Compliance with laws, regulations and contracts applicable to the Red River Parish Tax Agency Fund of the Red River Parish School Board is the responsibility of management of the School Board. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Red River Parish Tax Agency Fund's compliance with certain provisions of laws, regulations, and contracts. However, the objective of our audit of the 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 herein under Government Auditing Standards.

BOARD MEMBERS
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Coushatta, Louisiana

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Allen Green & Robinette

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana
October 3, 1996