

**SUPPLEMENTARY REPORTS AND INFORMATION**

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LINCOLN PARISH GOVERNMENT AND OUR TAX COMMISSIONERS  
BATON ROUGE, LOUISIANA

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1966

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 **OCT 02 1966**

FINANCIAL SECTION

**RADIAN L. HENNIGAN**

Certified Public Accountant  
1803 Goodwin Road  
Baton, LA 71270  
228-255-9105

**INDEPENDENT AUDITOR'S REPORT**

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



Kellan L. Hernandez  
Certified Public Accountant

September 4, 1996

FINANCIAL STATEMENTS

LINCOLN PARISH SALES AND USE TAX COMMISSION  
 MONROE, LOUISIANA

STATEMENTS OF ASSETS AND LIABILITIES - CASH BASIS  
 JUNE 30, 1994  
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1993)

	<u>JUNE 30</u> 1994	<u>JUNE 30</u> 1993
<b>ASSETS</b>		
Cash	<u>1,248,867</u>	<u>38,988</u>
 <b>LIABILITIES</b>		
Due to other agencies - interest income held for future distribution to:		
City of Boston	2,000	2,113
Lincoln Parish Police Jury	600	1,228
Lincoln Parish School Board	1,253	2,426
City of Grambling	52	94
Town of Dubach	18	13
Taxes Held in Protest	<u>1,245,158</u>	<u>33,061</u>
<b>TOTAL LIABILITIES</b>	<u>1,248,867</u>	<u>38,988</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, 1996.  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 1995)

	<u>JUNE 30</u> <u>1996</u>	<u>JUNE 30</u> <u>1995</u>
UNDISTRIBUTED BALANCES AT BEGINNING OF YEAR	\$ 28,608	\$ 0,000
COLLECTIONS:		
Sales And Use Tax	15,518,168	13,684,377
Interest Earned	<u>81,418</u>	<u>10,310</u>
TOTAL COLLECTIONS	15,601,582	13,894,687
TOTAL	15,630,496	13,899,743
DISTRIBUTIONS:		
City of Eunice	4,848,203	4,773,966
Lincoln Parish Police Jury	3,099,687	2,970,220
Lincoln Parish School Board	4,196,478	5,683,882
City of Grambling	301,123	189,388
Town of Bossier	<u>38,088</u>	<u>15,318</u>
Total Distributions	18,301,629	13,888,814
UNDISTRIBUTED BALANCES AT END OF YEAR	<u>\$ 21,668,667</u>	<u>\$ 10,930</u>

LINCOLN PARISH SALES AND USE TAX COMMISSION  
BUFFON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 1996

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.

For financial reporting purposes, in conformance with GASB codification section 1100, 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 relates to the timing of the measurements 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.

LINCOLN PARISH SALES AND USE TAX COMMISSION  
RUSTON, LOUISIANA

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1996

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Board of Commissioners  
Lincoln Parish Sales and Use Tax Commission  
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This report is intended for the information of the Board of Commissioners, management, and Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Respectfully,



Eadler L. Hennigan  
Certified Public Accountant

September 6, 1998

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  
1528 Goodwin Road  
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318-388-8108

**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 Rouge, LA 71279

I have audited the financial statements of Lincoln Parish Sales and Use Tax Commission, Baton Rouge, Louisiana for the year ended June 30, 1994, and have issued my report thereon dated September 4, 1996.

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  
Lincoln Parish Sales and Use Tax Commission  
Page 2

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. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Respectfully,

  
Rodin E. Bonzigue  
Certified Public Accountant

September 4, 1996

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

**RADIAN L. HENNINGAN**  
Certified Public Accountant  
1801 Goodwin Road  
Buston, LA 71270  
318-288-9108

**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  
Buston, LA 71276

I have audited the accompanying financial statements of the Lincoln Parish Sales and Use Tax Commission, Buston, Louisiana as of and for the year ended June 30, 1986, and have issued my report thereon dated September 8, 1986.

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.

Compliance with laws, regulations, and contracts applicable to the Lincoln Parish Sales and Use Tax Commission, Buston, 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, Buston, 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.

LINCOLN PARISH SALES AND USE TAX COMMISSION  
 BOSTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 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 or 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	-0-	\$ 3,055,513	-0-	3,055,513

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 \$1.3 million. The Commission is not aware of any other unasserted claims.

NOTE 4 - OPERATING EXPENSES

The Commission's employees are employees of the City of Boston, and are, therefore, covered under the City'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 expenses of the commission for the 12 months ended June 30, 1998, were approximately \$127,000 or less than one percent of collections.

LINCOLN PARISH SALES AND USE TAX COMMISSION  
 BOSTON, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 1996

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 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, 1996, the following rates were in effect:

	JUNE 30 1996
City of Boston	1.784
Lincoln Parish Police Jury	.784
Lincoln Parish School Board	1.004
City of Greentree	2.004
Town of Daboch	1.004

E. CASH

At year end, the carrying amount of the Commission's deposits was \$1,348,867 and the bank balance was \$1,430,803. The bank balance is categorized as follows:

Amount insured by the FDIC	<u>\$ 109,128</u>
Amount collateralized with securities held by the pledging financial institution's trust department of agent in the Commission's name	3,885,415
Less: Bank balance	1,430,803
Overcollateralized at June 30, 1996	<u>\$1,824,712</u>