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Release Date DEC 23 1989

VERNON R
COON
LEGISLATIVE AUDITOR

**RED RIVER PARISH (SALES AND USE)
TAX COMMISSION
Crescent, Louisiana**

**Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
June 30, 1999**

F008 Supplemental Information Schedule

**RED RIVER PARISH SALES AND USE
TAX COMMISSION**
Cochitons, Louisiana

Financial Statements
As of and for the Year Ended June 30, 1998
With Supplemental Information Schedules

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Independent Auditor's Report

Board of Commissioners
Red River Parish Sales and
Use Tax Commission
Covington, Louisiana

I have audited the financial statements of the Red River Parish Sales and 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 the Red River Parish Sales and 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. Those 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.

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Red River Parish Sales and Use Tax Commission as of June 30, 1998, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements of the Red River Parish Sales and Use Tax Commission. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

VERNON COON
CERTIFIED PUBLIC ACCOUNTANT
PUBLIC ACCOUNTANTS

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RED RIVER PARISH SALES AND
USE TAX COMMISSION
Covington, Louisiana
Independent Auditor's Report,
June 30, 1998

In accordance with Government Auditing Standards, I have also issued reports dated December 10, 1998, on the Red River Parish Sales and Use Tax Commission's compliance with laws, regulations, and contracts, and my consideration of the agency's internal control structure.



Shreveport, Louisiana
December 10, 1998

**FINANCIAL STATEMENTS
(OVERVIEW)**

**RED RIVER PARISH SALES AND USE
TAX COLLECTION**
Cochitola, Louisiana
ALL FUND TYPES AND ACCOUNT CIRCLES

Combined Balance Sheet, June 30, 1988

	GOVERNMENTAL FUND TYPE - GENERAL FUND	FUND USE FUND TYPE SALES TAX COLLECTION ACCOUNT FUND	ACCOUNT GROUPS		TOTAL \$498001010.84 00010
			GENERAL FUNDS	GRAND TOTAL	
ASSETS AND OTHER DEBITS					
Cash	\$14,156	\$188	\$5,444		\$19,788
Office furnishings and equipment				5,444	5,444
Amount to be provided for retirement of long-term obligations				415	415
TOTAL ASSETS AND OTHER DEBITS	\$14,156	\$188	\$5,444	\$415	\$19,999
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$270				\$270
Due to others		\$188			188
Componised amounts payable				415	415
Total Liabilities	270	188	7058	415	8121
Fund Equity:					
Investment in general fund assets			\$5,444		5,444
Fund balance - unreserved - unexpended	11,882				11,882
Total Fund Equity	11,882	5058	5,444	7058	19,436
TOTAL LIABILITIES AND FUND EQUITY	\$14,256	\$188	\$5,444	\$415	\$19,999

The accompanying notes are an integral part of this statement.

**RED RIVER PARISH SALES AND USE
TAX COMMISSION
Cochitons, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND**

**Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget
(GAAP) Basis and Actual
For the Year Ended June 30, 1998**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE (FAVORABLE ADVERSE-UNFAVORABLE)</u>
REVENUES			
Fees, charges, and commissions for services	\$197,100	\$197,196	96
Use of money and property	378	409	31
Total revenues	<u>197,478</u>	<u>197,605</u>	<u>127</u>
EXPENDITURES			
Finance and administrative:			
Current:			
Personal services and related benefits	21,763	19,112	2,651
Operating services	130,884	132,326	(1,332)
Materials and supplies	3,500	3,033	467
Travel and other charges	500		500
Capital outlay	10,813	820	9,993
Total expenditures	<u>167,459</u>	<u>145,181</u>	<u>22,278</u>
EXCESS OF REVENUES OVER EXPENDITURES	NONE	12,384	12,384
FUND BALANCE AT BEGINNING OF YEAR	NONE	1,298	1,298
FUND BALANCE AT END OF YEAR	NONE	\$13,682	\$13,682

The accompanying notes are an integral part of this statement.

**RED RIVER PARISH SALES AND USE
TAX COMMISSION**
Cochitola, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 1998

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article VII, Section 5 of the Louisiana Constitution of 1974, the Red River Parish Sales and Use Tax Commission serves as the collector of sales and use taxes for the parish. The commission is comprised of five members, one selected from the Red River Parish School Board, Red River Parish Police Jury, Red River Parish Sheriff's office, the Town of Cochitola, and the Village of Hall Baratta, in accordance with a joint agreement of the agencies. The commissioners serve for indefinite terms and without benefit of compensation.

A. REPORTING ENTITY

GASB Codification Section 1100 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The Red River Parish Sales and Use Tax Commission was created as a political subdivision of the state under the provisions of Article VII, Section 5, of the Louisiana Constitution of 1974. Commission board members are appointed by taxing authorities imposing sales taxes within the parish and are solely accountable for fiscal matters, which include fiscal management for controlling the collection and disbursement of funds. Additionally, the commission is the collector for all sales and use taxes within the parish. Based on the above, the commission was determined to be a separate governmental reporting entity. The commission includes all funds, account groups, activities, or actions, that are within the primary responsibility of the commission. Certain units of local government over which the commission exercises no primary responsibility, such as the Red River Parish Police Jury, School Board, Assessor, Clerk of Court, and municipalities within the parish, are excluded from the accompanying financial statements. These units of local government are governed by independently elected officials. They are neither controllable by nor amenable to the Red River Parish Sales and Use Tax Commission. Further, their operations do not require the approval of the commission nor is the commission legally or morally responsible for their actions. They are considered separate reporting entities and issue financial statements separate from those of the Red River Parish Sales and Use Tax Commission.

**RED RIVER PARISH SALES AND USE
TAX COMMISSION**
Cossiana, Louisiana

Notes to the Financial Statements (Continued)

II. FUND ACCOUNTING

The commission uses funds and account groups to report on financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

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 commission's current operations require the use of governmental and fiduciary funds as described below:

Governmental Fund Type - General Fund

The General Fund is the principal fund and is used to account for the operations of the commission. The commission's primary source of revenue is fees for the collection of sales and use taxes. General operating expenditures are paid from this fund.

**Fiduciary Fund Type - Sales Tax
Collection Agency Fund**

The Sales Tax Collection 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 SALES AND USE
TAX COMMISSION

Covington, Louisiana

Notes to the Financial Statements (Continued)

C. FIXED ASSETS AND LONG-TERM OBLIGATIONS

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the General Fund. All of the fixed assets are valued at actual historical costs. No depreciation has been provided on general fixed assets. There are no long-term obligations as of June 30, 1998.

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 modified accrual basis of accounting is used for reporting the governmental and fiduciary fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The commission uses the following practices in recording revenues and expenditures:

Revenues:

Fees for the collection of sales and use taxes are recorded when the commission is entitled to the funds which is normally the same month the taxes are collected.

Interest income on demand deposits is recorded monthly when the interest is earned and credited to the account.

Based on the above criteria, fees, charges, and commissions for services are treated as susceptible to accrual.

RED RIVER PARISH SALES AND USE
TAX COMMISSION
Coushatta, Louisiana
Notes to the Financial Statements (Continued)

Expenditures:

Expenditures are generally recognized under the modified accrual basis when the related fund liability is incurred.

E. BUDGET PRACTICES

The following presents the budgetary calendar process for the Red River Parish Sales Tax Commission:

During March and April the administrator prepares a preliminary budget for presentation to the commission. In accordance with adopted policies of the commission, the budget document must include the following:

1. A budget message, signed by the administrator, which includes a summary description of the most important features and objectives of the budget.
2. A budget summary listing, by account group.
3. A proposed budget adoption resolution for the town, school board, police jury, sheriff, and village.

The commission then reviews the proposed budget, makes any changes it deems appropriate, and approves the budget for submission to the taxing bodies on or before May 1.

The town, school board, police jury, sheriff, and village no later than June 15, approve or reject the budget.

**RED RIVER PARISH SALES AND USE
TAX COMMISSION**
Cochitons, Louisiana
Notes to the Financial Statements (Continued)

During the year, the administrator is authorized, subject to approval of the commission, to make changes within budget classifications as she may deem appropriate. However, any reallocation of budgeted amounts in excess of 5% of total revenues, total expenditures, and/or beginning fund balance, must be approved in advance by the town, school board, police jury, sheriff, and village.

Appropriations lapse at year-end and must be reappropriated for the following year to be expended. Budgeted amounts included in the accompanying financial statements include the original budget amounts and any subsequent amendments.

F. CASH

Under state law, the commission may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The commission may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 1998, the commission has cash (bank balances) totaling \$14,404.

These deposits are stated at cost, which approximates market. Under state law, time deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash (bank balances) at June 30, 1998, total \$25,212 and are fully secured by federal deposit insurance.

G. VACATION AND SICK LEAVE

All employees earn from 10 to 15 days vacation leave and from 12 to 18 days sick leave each year depending on length of service. Unused leave may be carried forward to the succeeding year without limitation and is paid to employees upon separation from service.

RED RIVER PARISH SALES AND USE
TAX COMMISSION

Cochitons, Louisiana

Notes to the Financial Statements (Continued)

At June 30, 1998, employees of the commission have accumulated and vested \$415 of employee leave benefits, computed in accordance with OASDI Certification Section C60. The liability is recorded within the general long-term obligations account group.

The cost of leave privileges, computed in accordance with the previous certification, is recognized as a current-year expenditure within the general fund when leave is actually taken or when employees are paid for accrued leave under the conditions previously outlined.

B. TOTAL COLUMN ON THE
BALANCE SHEET

The total column on the balance sheet is captioned *Monetary Only* to indicate that it is presented only to facilitate financial analysis (overview). Data in this column does not present financial positions 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.

2. CHANGES IN GENERAL FIXED ASSETS

The following schedule presents changes in office furnishings and equipment for the year ended June 30, 1998:

Balance at July 1, 1997	\$5,307
Adjustment	(\$683)
Additions	\$800
Deletions	<u>None</u>
Balance at June 30, 1998	<u>\$5,444</u>

3. PENSION PLAN

Pension costs of the sales and use tax commission reported in the accompanying financial statements is for the employees participating in the federal Social Security System. The sales and use tax commission does not guarantee any of the benefits granted by the Social Security System.

RED RIVER PARISH SALES AND USE
TAX COMMISSION
Covington, Louisiana
Notes to the Financial Statements (Continued)

4. CHANGES IN AGENCY FUND BALANCES

A summary of changes in sales tax collection agency fund balance due to others follows:

Balance at July 1, 1997	3066
Additions	2,562,891
Deductions	<u>(2,562,891)</u>
Balance at June 30, 1998	<u>3066</u>

5. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

For the year ended June 30, 1998, the commission had long-term obligations consisting solely of compensated absences. The following is a summary of changes in compensated absences for the year ended June 30, 1998:

Balance at July 1, 1997	5415
Additions	51,230
Reductions	<u>(1,230)</u>
Balance at June 30, 1998	<u>5415</u>

6. LITIGATION AND CLAIMS

In the opinion of the commission's legal counsel, the commission is not involved in any litigation as June 30, 1998, that would materially affect the financial position of the commission nor is it aware of any unasserted claims.

SUPPLEMENTAL INFORMATION SCHEDULES

RED RIVER PARISH SALES AND USE
TAX COMMISSION
Cochitons, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended June 30, 1998

GOVERNMENTAL FUND TYPE - GENERAL FUND

The General Fund is used to account for the general operating expenditures of the commission. Schedule 1 provides a detail of expenditures, by category, for the General Fund.

RED RIVER PARISH SALES AND USE
TAX COMMISSION
Cajalapa, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Schedule of Expenditures, By Character
For the Year Ended June 30, 1998

PERSONAL SERVICES	
Salaries	\$18,177
Social security contributions	623
Medicare taxes	99
Workman's compensation contributions	382
Total personal services	<u>19,281</u>
OPERATING SERVICES	
Appl. costs	110,556
Fees and subscriptions	30
Advertising	335
Postage and bus rent	1,887
Telephone	2,318
Insurance	150
Reprints	8,465
Miscellaneous	625
Total operating services	<u>123,756</u>
MATERIALS AND SUPPLIES	
Office supplies	<u>3,023</u>
CAPITAL OUTLAY	
Equipment	800
Total expenditure	<u>\$145,181</u>

RED RIVER PARISH SALES AND USE
TAX COMMISSION
Cochitons, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended June 30, 1998

FIDUCIARY FUND TYPE - AGENCY FUND

SALES TAX COLLECTION FUND

Article VII, Section 3 of the Louisiana Constitution of 1874, provides that the commission shall be authorized to serve as the single collector of sales and use taxes in Red River Parish. The Sales Tax Collection Agency Fund is used in account for the collection and distribution of these taxes to the appropriate taxing bodies.

RED RIVER PARISH SALES AND USE
TAX COMMISSION
Cochitons, Louisiana
FIDUCIARY FUND TYPE - SALES TAX COLLECTION
AGENCY FUND

Schedule of Changes in Balances
Due to Others
For the Year Ended June 30, 1998

DEPOSIT BALANCE AT BEGINNING OF YEAR	\$188
ADDITIONS	
Sales tax collections	<u>2,562,891</u>
DEDUCTIONS	
Taxes distributed to others:	
Red River Parish School Board	1,146,291
Red River Parish Police Jury	572,722
Red River Parish Sheriff	574,778
Town of Cochitons	262,803
Village of Hall Summit	5,186
Other charges	91
Total deductions	<u>2,562,892</u>
DEPOSIT BALANCE AT END OF YEAR	\$188

**Independent Auditor's Reports Required
by Government Auditing Standards**

The following independent auditor's reports on compliance with laws, regulations, and contracts, and the internal control structure are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



**Independent Auditor's Report on Compliance and
Internal Control Over Financial Reporting**

**RED RIVER PARISH SALES AND USE
TAX COMMISSION**
Covington, Louisiana

I have audited the financial statements of the Red River Parish Sales and Use Tax Commission as of and for the year ended June 30, 1998 ended and have issued my report thereon dated December 10, 1998. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Red River Parish Sales and Use Tax Commission's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Red River Parish Sales and Use Tax Commission's internal control over financial reporting 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 over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements 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

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RED RIVER PARISH SALES AND USE
TAX COMMISSION
Coushatta, Louisiana
Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
June 30, 1998

functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the Red River Parish Sales and Use Tax Commission. This is not intended to limit the distribution of this report, which is a matter of public record.



Wren Monroe, Louisiana
December 10, 1998

RED RIVER PARISH SALES AND
USE TAX COMMISSION
Cochitza, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 1998

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Red River Parish Sales and Use Tax Commission.
2. No instances of noncompliance material to the financial statements of Red River Parish Sales and Use Tax Commission were disclosed during the audit.
3. No reportable conditions relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

RED RIVER PARISH SALES AND
USE TAX COMMISSION
Covington, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 1998

There were no audit findings reported in the audit for the year ended June 30, 1998.