

**RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 12/15/10

RED RIVER PARISH SALES & USE TAX COMMISSION
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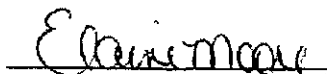
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RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

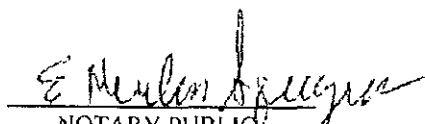
Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, Elaine Moore, Administrator of the Red River Parish Sales & Use Tax Commission, who duly sworn, deposes and says, that the financial statements herewith given presents fairly the financial position of the Red River Parish Sales & Use Tax Commission at June 30, 2010 and the results of its operations for the year then ended in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.


Administrator

Sworn to and subscribed before me, this 23rd day of August, 2010.


NOTARY PUBLIC
E. Merline Squires, ID# 033765

HINES, SHEFFIELD & SQUYRES, L.L.C.

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INDEPENDENT AUDITORS' REPORT

Red River Parish Sales & Use Tax Commission
Post Office Box 570
Coushatta, Louisiana 71019

We have audited the accompanying financial statements of the governmental activities and the aggregate remaining fund information of the Red River Parish Sales & Use Tax Commission, Coushatta, Louisiana as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the Red River Parish Sales & Use 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate remaining fund information of the Red River Parish Sales & Use Tax Commission as of June 30, 2010, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated August 23, 2010, on our consideration of the Red River Parish Sales & Use Tax Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the budgetary information on pages 3 through 7 and 21, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Red River Parish Sales & Use Tax Commission's basic financial statements. The accompanying supplemental schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The financial information for the year ended June 30, 2009, which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion dated August 25, 2009, on the basic financial statements of the Red River Parish Sales & Use Tax Commission.

Hines, Sheffield & Squyres
Natchitoches, Louisiana
August 23, 2010

-MEMBERS-

American Institute of Certified Public Accountants Society of Louisiana Certified Public Accountants

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010

The Management's Discussion and Analysis of the Red River Parish Sales & Use Tax Commission's financial performance presents a narrative overview and analysis of Red River Parish Sales & Use Tax Commission's financial activities for the year ended June 30, 2010. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the Red River Parish Sales & Use Tax Commission's financial statements, which begin on page 8.

FINANCIAL HIGHLIGHTS

- 1) The Red River Parish Sales & Use Tax Commission had cash of \$80,018 at June 30, 2010 which represents a decrease of \$5,922 from prior year end.
- 2) The Red River Parish Sales & Use Tax Commission had accounts receivable of \$6,552 at June 30, 2010 which represents an increase of \$6,534 from prior year end.
- 3) The Red River Parish Sales & Use Tax Commission had accounts payable and accruals of \$1,945 at June 30, 2010 which represents an increase of \$548 from prior year end.
- 4) The Red River Parish Sales & Use Tax Commission had total revenues of \$62,838 for the year ended June 30, 2010 which represents an increase of \$11,840 from prior year.
- 5) The Red River Parish Sales & Use Tax Commission had intergovernmental revenues of \$62,576 for the year ended June 30, 2010 which represents an increase of \$12,016 from prior year.
- 6) The Red River Parish Sales & Use Tax Commission had interest income of \$262 for the year ended June 30, 2010 which represents a decrease of \$176 from prior year.
- 7) The Red River Parish Sales & Use Tax Commission had personal services expenses of \$49,059 for the year ended June 30, 2010 which represents an increase of \$7,256 from prior year.
- 8) The Red River Parish Sales & Use Tax Commission had operating services expenses of \$5,177 for the year ended June 30, 2010 which represents an increase of \$170 from prior year.
- 9) The Red River Parish Sales & Use Tax Commission had capital asset purchases of \$5,549 for the year ended June 30, 2010 which represents an increase of \$5,549 from prior year.
- 10) The Red River Parish Sales & Use Tax Commission had debt services payments of \$0 for the year ended June 30, 2010 which represents no change from prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for the Red River Parish Sales & Use Tax Commission as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments.

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2010

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information
(Other than MD&A)

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Basic Financial Statements

This annual report consist of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 8 and 9) provide information about the activities of the Red River Parish Sales & Use Tax Commission as a whole and present a longer-term view of the Commission's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities report the Commission's net assets and changes in them. You can think of the Commission's net assets, the difference between assets and liabilities, as one way to measure the Commission's financial health, or financial position. Over time, increases or decreases in the Commission's net assets are one indicator of whether its financial health is improving or deteriorating.

Fund financial statements start on page 10. All of the Commission's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the Commission's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Commission's activities as well as what remains for future spending.

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2010

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
As of Year End

	<u>2010</u>	<u>2009</u>
Current and other assets	\$ 86,570	\$ 86,438
Capital assets, net	<u>4,439</u>	<u>0</u>
Total Assets	<u>\$ 91,009</u>	<u>\$ 86,438</u>
Other liabilities	\$ 1,945	\$ 1,397
Compensated absences payable	<u>20,626</u>	<u>18,125</u>
Total Liabilities	<u>22,571</u>	<u>19,522</u>
Net assets		
Investment in capital assets, net of related debt	4,439	0
Unrestricted	<u>63,999</u>	<u>66,916</u>
Total Net Assets	<u>68,438</u>	<u>66,916</u>
Total Liabilities and Net Assets	<u>\$ 91,009</u>	<u>\$ 86,438</u>

Net assets of the Red River Parish Sales & Use Tax Commission's increased by \$1,522 or 2.27% from the previous fiscal year. The increase is the result of operating and nonoperating revenues exceeding expenses during the fiscal year ended 2010 (See table below).

Statement of Activities
For the Year Ended

	<u>2010</u>	<u>2009</u>
General government		
Expenses	\$ (61,316)	\$ (52,404)
Program revenues		
Operating grants and contributions	<u>62,576</u>	<u>50,560</u>
Subtotal	1,260	(1,844)
General revenues	<u>262</u>	<u>438</u>
Change in net assets	<u>\$ 1,522</u>	<u>\$ (1,406)</u>

The Red River Parish Sales & Use Tax Commission's total revenues increased by \$11,840 or 23.22% from the previous year. The total cost of all programs and services increased by \$8,912 or 17.01% from the previous year.

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2010

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2010, the Red River Parish Sales & Use Tax Commission had \$4,439, net of depreciation, invested in a broad range of capital assets (See table below). This amount represents a net change (including additions and deductions) of \$4,439 or 100.00% from the previous year.

Capital Assets at Year End (Net of Depreciation)		2010	2009
Furniture, fixtures and equipment		\$ 4,439	\$ 0
Total		\$ 4,439	\$ 0

This year's major additions included:

Furniture, fixtures and equipment	\$	5,549
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This year's major retirements included:

Furniture, fixtures and equipment	\$	7,427
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Debt

The Red River Parish Sales & Use Tax Commission had \$20,626 in compensated absences payable at year end compared to \$18,125 at the previous year end, an increase of \$2,501 or 13.80% as shown in the table below.

Outstanding Debt at Year End		2010	2009
Compensated absences payable		\$ 20,626	\$ 18,125
Totals		\$ 20,626	\$ 18,125

New debt during the year included:

None.

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2010

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Actual revenues were \$2,480 less than budgeted amounts due to intergovernmental revenues being less than expected.

Actual expenditures were \$1,080 more than budgeted amounts due to operating services being more than expected.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Red River Parish Sales & Use Tax Commission's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- 1) Intergovernmental revenues (based on personal and operating expenses)
- 2) Interest income
- 3) Miscellaneous income

The Red River Parish Sales & Use Tax Commission does not expect any significant changes in next year's results as compared to the current year.

CONTACTING THE RED RIVER PARISH SALES & USE TAX COMMISSION'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Red River Parish Sales & Use Tax Commission's finances and to show the Red River Parish Sales & Use Tax Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Elaine Moore, Administrator, Post Office Box 570, Coushatta, Louisiana 71019.

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Current Assets		
Cash	\$ 80,018	\$ 85,940
Accounts receivable	6,552	18
Prepaid expense	<u>0</u>	<u>480</u>
Total Current Assets	86,570	86,438
Noncurrent Assets		
Capital assets, net	<u>4,439</u>	<u>0</u>
Total Assets	<u>\$ 91,009</u>	<u>\$ 86,438</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current Liabilities		
Accounts payable and accruals	\$ 1,945	\$ 1,397
Total Current Liabilities	1,945	1,397
Noncurrent Liabilities		
Compensated absences payable	<u>20,626</u>	<u>18,125</u>
Total Liabilities	22,571	19,522
NET ASSETS		
Investment in capital assets, net of related debt	4,439	0
Unrestricted	<u>63,999</u>	<u>66,916</u>
Total Net Assets	<u>68,438</u>	<u>66,916</u>
Total Liabilities and Net Assets	<u>\$ 91,009</u>	<u>\$ 86,438</u>

The accompanying notes are an integral part of this statement.

EXHIBIT B

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	2010			2009
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
			Revenue and Changes in Net Assets	Revenue and Changes in Net Assets
General Government				
Personal services	\$ 49,059	\$ 0	\$ 50,990	\$ 0
Travel	639	0	664	25
Operating services	5,177	0	5,381	204
Supplies	1,581	0	1,643	62
Professional services	3,750	0	3,898	148
Depreciation	1,110	0	0	(1,110)
Total General Government	\$ 61,316	\$ 0	\$ 62,576	\$ 1,260
General Revenues:				
Interest income				262
Miscellaneous				0
Total General Revenues				262
Change in Net Assets				1,522
Net Assets, Beginning of year				66,916
Net Assets, End of year				\$ 68,438
				\$ 66,916

The accompanying notes are an integral part of this statement.

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Cash	\$ 80,018	\$ 85,940
Accounts receivable	6,552	18
Prepaid expense	<u>0</u>	<u>480</u>
Total Assets	<u>\$ 86,570</u>	<u>\$ 86,438</u>
 LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable and accruals	\$ 1,945	\$ 1,397
Total Liabilities	1,945	1,397
 FUND BALANCES		
Unreserved	<u>84,625</u>	<u>85,041</u>
Total Fund Balances	<u>84,625</u>	<u>85,041</u>
Total Liabilities and Fund Balances	<u>\$ 86,570</u>	<u>\$ 86,438</u>

The accompanying notes are an integral part of this statement.

EXHIBIT D

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

Total Fund Balances for Governmental Funds (Exhibit C)	\$	84,625
Total Net Assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Furniture, fixtures and equipment, net of \$1,110 in accumulated depreciation	\$	<u>4,439</u>
Total Capital Assets		4,439
Long-term liabilities, including compensated absences payable, are not due and payable in the current period and therefore are not reported in the fund liabilities.		<u>(20,626)</u>
Total Net Assets of Governmental Activities (Exhibit A)	\$	<u>68,438</u>

The accompanying notes are an integral part of this statement.

EXHIBIT E

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
REVENUES		
Intergovernmental revenues	\$ 62,576	\$ 50,560
Interest income	262	438
Miscellaneous	<u>0</u>	<u>0</u>
Total Revenues	62,838	50,998
EXPENDITURES		
General government		
Personal services	46,558	39,563
Travel	639	450
Operating services	5,177	5,007
Supplies	1,581	1,394
Professional services	3,750	3,750
Capital outlay	<u>5,549</u>	<u>0</u>
Total Expenditures	<u>63,254</u>	<u>50,164</u>
Excess/(Deficiency) Of Revenues Over Expenditures	(416)	834
Fund Balance, Beginning of year	<u>85,041</u>	<u>84,207</u>
Fund Balance, End of year	<u>\$ 84,625</u>	<u>\$ 85,041</u>

The accompanying notes are an integral part of this statement.

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

Net Change in Fund Balances-Total Governmental Funds (Exhibit E)	\$ (416)
The change in Net Assets reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$5,549) exceeds depreciation (\$1,110) in the current period.	4,439
Some expense reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	<u>(2,501)</u>
Change in Net Assets of Governmental Activities (Exhibit B)	<u>\$ 1,522</u>

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Assets		
Cash	\$ 446	\$ 0
Total Assets	<u>\$ 446</u>	<u>\$ 0</u>
Liabilities		
Due to other governments	\$ 446	\$ 0
Total Liabilities	<u>\$ 446</u>	<u>\$ 0</u>

The accompanying notes are an integral part of this statement.

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided in Article VII, Section 3 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 Coushatta, and the Village of Hall Summit, in accordance with a joint agreement of the agencies. The commissioners serve for indefinite terms and without benefit of compensation.

A. Basis of Accounting

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This Codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Red River Parish Sales & Use Tax Commission consist only of the transactions and activity of the Red River Parish Sales & Use Tax Commission as authorized by Louisiana statutes.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Red River Parish Sales & Use Tax Commission are maintained in accordance with applicable statutory provisions as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. Budgetary Accounting

Formal budgetary accounting is employed as a management control. The Red River Parish Sales & Use Tax Commission prepares and adopts a budget prior to July 1 of each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The Commission amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

C. Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

E. Bad Debts

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 2010, \$0 were considered to be uncollectible.

F. Capital Assets

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Red River Parish Sales & Use Tax Commission are charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Assets. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 20 to 40 years for buildings and building improvements and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

G. Compensated Absences

Commission employees earn annual and sick leave at various rates depending on the number of years in service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, an employee is compensated for all of their unused annual and sick leave at the employee's hourly rate of pay at the time of termination.

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of *contingent assets and liabilities* at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions including savings, demand deposits, time deposits, and certificates of deposit. Under state law the Red River Parish Sales & Use Tax Commission may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further the Commission may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (CONTINUED)

A. Deposits with Financial Institutions (Continued)

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits 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 bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts mutually acceptable to both parties. The deposits at June 30, 2010 were secured as follows:

	Cash	Certificates of Deposit	Total
Deposits in bank accounts per balance sheet	\$ 80,464	\$ 0	\$ 80,464
	Cash	Certificates of Deposit	Total
Bank Balances (Category 3 Only, If Any)			
a. Uninsured and uncollateralized	\$ 4,263,690	\$ 0	\$ 4,263,690
b. Uninsured and uncollateralized with securities held by the pledging institution	0	0	0
c. Uninsured and uncollateralized with securities held by the pledging institution's trust department or agent but not in the entity's name	0	0	0
Total Category 3 Bank Balances	\$ 4,263,690	\$ 0	\$ 4,263,690
Total Bank Balances (All Categories Including Category 3 Reported Above)	\$ 4,513,690	\$ 0	\$ 4,513,690

The following is a breakdown by banking institution and amount of the balances shown above:

Banking Institution	Amount
American Bank & Trust Company	\$ 4,513,690
Total	\$ 4,513,690

B. Investments

At June 30, 2010, the Red River Parish Sales & Use Tax Commission had investments of \$0.

NOTE 3 ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at June 30, 2010:

Class of Receivable	
Intergovernmental revenues	\$ 6,552
Total	\$ 6,552

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

NOTE 4 CAPITAL ASSETS

A summary of the Red River Parish Sales & Use Tax Commission's capital assets at June 30, 2010 follows:

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2010</u>
Capital Assets				
Furniture, fixtures and equipment	\$ 7,427	\$ 5,549	\$ (7,427)	\$ 5,549
Less accumulated depreciation:	<u>(7,427)</u>	<u>(1,110)</u>	<u>7,427</u>	<u>(1,110)</u>
Total Capital Assets, net	<u>\$ 0</u>	<u>\$ 4,439</u>	<u>\$ 0</u>	<u>\$ 4,439</u>

NOTE 5 ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable at June 30, 2010:

<u>Class of Payable</u>	
Vendor	\$ 217
Salaries and benefits	<u>1,728</u>
Total	<u>\$ 1,945</u>

NOTE 6 COMPENSATED ABSENCES

At June 30, 2010, employees of the Red River Parish Sales & Use Tax Commission had accumulated \$20,626 in annual leave benefits which were computed in accordance with GASB Codification Section C 60. The following is a summary of the changes in accumulated annual leave benefits for the year ended June 30, 2010.

Compensated absences payable, beginning of year	\$ 18,125
Additions	4,521
Deletions	<u>(2,020)</u>
Compensated absences payable, end of year	<u>\$ 20,626</u>

NOTE 7 PENSION PLAN

All employees of the Red River Parish Sales & Use Tax Commission are covered by the Social Security System. Employees contribute 6.2 percent of their total salary to the System, while the System contributes a like amount. For the year ended June 30, 2010, total contributions to the system were \$5,322, of which the System contributed \$2,661 and employees contributed \$2,661. Total payroll for the year ended June 30, 2010 was \$42,924, and total payroll covered by the system was \$42,924. Any future deficit in this system will be financed by the United States Government. The System has no further liability to the System for the year ended June 30, 2010.

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

NOTE 8 LEASE OBLIGATIONS

The Red River Parish Sales & Use Tax Commission was not obligated under any capital or operating lease commitments at June 30, 2010.

NOTE 9 LITIGATION

The Red River Parish Sales & Use Tax Commission was not involved in any litigation at June 30, 2010.

REQUIRED SUPPLEMENTARY INFORMATION

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Fav./Unfav.</u>
REVENUES				
Intergovernmental revenues	\$ 50,600	\$ 64,993	\$ 62,576	\$ (2,417)
Interest income	450	325	262	(63)
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	51,050	65,318	62,838	(2,480)
EXPENDITURES				
General government				
Personal services	40,993	46,359	46,558	(199)
Travel	450	391	639	(248)
Operating services	2,657	3,058	5,177	(2,119)
Supplies	1,100	425	1,581	(1,156)
Professional services	3,750	3,750	3,750	0
Capital outlay	<u>2,100</u>	<u>8,191</u>	<u>5,549</u>	<u>2,642</u>
Total Expenditures	<u>51,050</u>	<u>62,174</u>	<u>63,254</u>	<u>(1,080)</u>
Excess/(Deficiency) Of Revenues Over Expenditures	0	3,144	(416)	(3,560)
Fund Balance, Beginning of year	<u>85,041</u>	<u>85,041</u>	<u>85,041</u>	<u>0</u>
Fund Balance, End of year	<u>\$ 85,041</u>	<u>\$ 88,185</u>	<u>\$ 84,625</u>	<u>\$ (3,560)</u>

OTHER SUPPLEMENTARY INFORMATION

SCHEDULE 2

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
SCHEDULE OF COLLECTIONS, DISTRIBUTIONS, AND UNSETTLED BALANCES
FOR THE YEAR ENDED JUNE 30, 2010

Unsettled Balances at July 1,	\$	0
COLLECTIONS		
Sales and use taxes		36,297,690
Interest		<u>2,822</u>
Total Collections		<u>36,300,512</u>
Total Available for Distribution		36,300,512
DISTRIBUTIONS		
Red River Parish School Board		15,761,062
Red River Parish Police Jury		11,808,359
Red River Parish Sheriff's Office		7,880,558
Town of Coushatta		818,320
Village of Hall Summit		<u>31,767</u>
Total Distributions		<u>36,300,066</u>
Unsettled Balances at June 30, Due to Taxing Bodies	\$	<u>446</u>

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

SECTION #1

SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

- | | | |
|----|--|---------------|
| 1. | Type of auditors' report issued. | Unqualified |
| 2. | Internal control over financial reporting: | |
| | a) Material weakness(es) identified? | No |
| | b) Significant deficiency(ies) identified that are not considered to be material weaknesses? | None reported |
| 3. | Noncompliance material to financial statements noted? | No |

SECTION #2

FINANCIAL STATEMENT FINDINGS

- | | |
|---------|--|
| 2010-01 | The bank deposit balances of the Red River Parish Sales & Use Tax Commission exceeded federal deposit insurance corporation (FDIC) coverage and the depositing banks did not pledge sufficient securities to cover the amount exceeding the FDIC's coverage. |
|---------|--|

HINES, SHEFFIELD & SQUYRES, L.L.C.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Red River Parish Sales & Use Tax Commission
Post Office Box 570
Natchitoches, Louisiana 71019

We have audited the accompanying financial statements of the governmental activities and the aggregate remaining fund information of the Red River Parish Sales & Use Tax Commission, Coushatta, Louisiana as of and for the year ended June 30, 2010, and have issued our report thereon dated August 23, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Red River Parish Sales & Use Tax Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Red River Parish Sales & Use Tax Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Red River Parish Sales & Use Tax Commission's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Red River Parish Sales & Use Tax Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under Government Auditing Standards. A description of the finding can be found at finding 2010-01 of the accompanying Corrective Action Plan For Current Year Audit Findings, Schedule 5.

Page #2

This report is intended solely for the information and use of the Red River Parish Sales & Use Tax Commission, management and the Louisiana State Legislative Auditor and is not intended to be, and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Hines, Sheffield & Squyres

Natchitoches, Louisiana

August 23, 2010

SCHEDULE 4

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards.

RED RIVER PARISH SALES & USE TAX COMMISSION
COUSHATTA, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
2010-01	The bank deposit balances of the Red River Parish Sales & Use Tax Commission exceeded federal deposit insurance corporation (FDIC) coverage and the depositing banks did not pledge sufficient securities to cover the amount exceeding the FDIC's coverage.	The amount of securities being pledged to secure bank deposits will be reviewed quarterly with each financial institution.	Elaine Moore, Administrator	12/31/2010

HINES, SHEFFIELD & SQUYRES, L.L.C.

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Red River Parish Sales & Use Tax Commission
Post Office Box 570
Natchitoches, Louisiana 71019

We are writing this letter as a follow-up to our recent audit of the basic financial statements of the Red River Parish Sales & Use Tax Commission, Coushatta, Louisiana as of June 30, 2010, and for the year then ended. We offer the following observations and recommendations, which are intended to help improve record keeping procedures and general operations of the Commission and are intended to be constructive in nature:

Existing Conditions

At June 30, 2010, the bank deposit balances of the Red River Parish Sales & Use Tax Commission exceeded federal deposit insurance corporation (FDIC) coverage. This resulted in bank deposits not being secured against loss because the depositing banks did not pledge sufficient securities at a third party custodian to cover the excess deposits.

LSA-RS 39:1225 requires that the amount of security maintained on bank deposits shall at all times be equal to one hundred percent of the amount of bank deposits except that portion of the deposits insured by the FDIC.

Recommended Action

We suggest the Red River Parish Sales & Use Tax Commission's management review on a quarterly basis the amount of securities being pledged at each institution that deposits are maintained to ensure that proper security is being maintained over the funds as required by LSA-RS 39:1225.

Management's Response

The amount of securities being pledged to secure bank deposits will be reviewed quarterly with each financial institution.

These comments and recommendations are not all inclusive and are not intended to be critical of anyone. We would like to thank the Red River Parish Sales & Use Tax Commission's management and staff for their courtesy and cooperation during our engagement. If you have any questions or concerns, please let us know.

Hines, Sheffield & Squyres

Natchitoches, Louisiana

August 23, 2010