

**RICHLAND PARISH SALES AND USE  
TAX COMMISSION  
Rayville, Louisiana**

**Annual Financial Statements  
With Independent Auditor's Report  
As of and for the Year Ended  
June 30, 2019  
With Supplemental Information Schedules**

RICHLAND PARISH SALES AND USE  
TAX COMMISSION  
Rayville, Louisiana

Annual Financial Statements  
As of and for the Year Ended June 30, 2019  
With Supplemental Information Schedules

C O N T E N T S

		<u>Page No.</u>
<b>Independent Auditor's Report</b>		3
<b>Required Supplemental Information (Part I)</b>		
Management's Discussion and Analysis		7
<b>Basic Financial Statements</b>		
	<u>Statement</u>	<u>Page No.</u>
Government-Wide Financial Statements:		
Statement of Net Position	A	13
Statement of Activities	B	14
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C	15
Reconciliation of the Governmental Funds Balance Sheet to The Financial Statement of Net Position		16
Statement of Revenues, Expenditures, and Changes in Fund Balances	D	17
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, And Changes in Fund Balances to the Statement of Activities		18
Fiduciary - Agency Funds:		
Statement of Fiduciary Net Assets	E	19
Notes to the Financial Statements		20

C O N T E N T S (CONTD.)

	<u>Schedule</u>	<u>Page No.</u>
<b>Required Supplemental Information (Part II):</b>		
Budget Comparison Schedule - General Fund	1	36
Note to Budgetary Comparison Schedule		37
Schedule of Employer's Share of Net Pension Liability	2	38
Schedule of Employer Contributions	3	39
<b>Other Supplemental Schedules (Part III):</b>		
Schedule of Compensation, Benefits and Other Payments to Agency Head Governmental Fund Type - General Fund -	4	41
Schedule of Expenditures, By Character	5	43
Fiduciary Fund Type - Agency Funds - Schedule of Changes in Balances Due to Others	6	45
<b>Independent Auditor's Report Required by Government Auditing Standards (Part IV):</b>		
Report on Compliance and Internal Control over Financial Reporting		48
Schedule of Findings and Responses	7	50
Summary Schedule of Prior Audit Findings	8	51
Agency Corrective Action Plan		53
Statewide Agreed Upon Procedures		55
Agency Response to Statewide Agreed Upon Procedures		62

## **Independent Auditor's Report**

RICHLAND PARISH SALES AND  
USE TAX COMMISSION  
Rayville, Louisiana

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities, major fund and fiduciary fund of the Richland Parish Sales and Use Tax Commission as of June 30, 2019, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Tax Commission's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Richland Parish Sales and Use Tax Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Richland Parish Sales and Use Tax Commission's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### ***Opinions***

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities, major fund and fiduciary fund information of the Richland Parish Sales and Use Tax Commission as of June 30, 2019, 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.

RICHLAND PARISH SALES AND  
USE TAX COMMISSION  
Rayville, Louisiana  
Independent Auditor's Report,  
June 30, 2019

***Emphasis of a Matter***

As described in Note 1L to the financial statements, the Tax Commission had errors made during the GASB 68 calculation which resulted in a cumulative effect of change in accounting principal of (\$15,572). My opinions are not modified with respect to this matter.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules and notes to required supplementary information, the Schedule of Employer's share of the Net Pension Liability, and the Schedule of Employer Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Richland Parish Sales and Use Tax Commission's basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head on page 41 is presented for the purpose of additional analysis and are not a required part of the financial statements.

This schedule is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of compensation, benefits and other payments is fairly stated, in all material respects, in relation to the basic financial statements.

***Other Reporting Required by Government Auditing Standards***

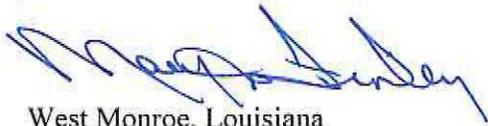
In accordance with *Government Auditing Standards*, I have also issued a report dated October 29, 2019, on my consideration of the Richland Parish Sales and Use Tax Commission's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance

RICHLAND PARISH SALES AND  
USE TAX COMMISSION  
Rayville, Louisiana  
Independent Auditor's Report,  
June 30, 2019

with *Government Auditing Standards* in considering the Richland Parish Sales and Use Tax Commission's internal control over financial reporting and compliance.

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Louisiana Legislative Auditor, I have issued a report, dated October 29, 2019, on the results of my statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.



West Monroe, Louisiana  
October 29, 2019

**REQUIRED SUPPLEMENTARY INFORMATION  
PART I**

**Richland Parish Sales and Use Tax Commission**  
**Rayville, Louisiana**

**Management's Discussion and Analysis**  
June 30, 2019

As management of the Richland Parish Sales and Use Tax Commission, I offer readers of the Richland Parish Sales and Use Tax Commission's financial statements this narrative overview and analysis of the financial activities of the Richland Parish Sales and Use Tax Commission for the fiscal year ended June 30, 2019. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

**Financial Highlights**

The Commission was created in 1992 by a joint agreement for the collection of sales, use taxes and other fees. The parties to the joint agreement are the Richland Parish School Board; Richland Parish Police Jury; Richland Parish Sheriff's Office; Town of Rayville, LA; Town of Delhi, LA; and Town of Mangham, LA. The purpose of the Commission is to collect sales and use taxes within the parish of Richland. The Commission is funded by the parties to the joint agreement on a pro-rata basis on the ratio that the taxes collected for each bears to the total taxes collected for all. The total amount of the annual funding is determined during the budget process and is collected monthly at the rate of one-twelfth of the annual amount.

The Commission remitted \$15,227,787 in taxes to its member agencies during the year ended June 30, 2019, an increase of \$504,640 or 3% over the prior fiscal year.

The expenditures of \$191,138 for the year ended June 30, 2019 reflect a decrease of \$26,044 over the prior fiscal year. The operations of the Commission for the year ending June 30, 2020 are expected to be similar to the current fiscal year.

**Overview of the Financial Statements**

The minimum requirements for Special Purpose Governments engaged in fiduciary activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* consists of the following three sections: 1) Management's Discussion and Analysis (this section), 2) the Basis Financial Statements (including the notes to the financial statements), and 3) Required Supplemental Information.

**Basic Financial Statements**

The basic financial statements present information for the Richland Parish Tax Commission as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Position; Statement of Activities; Balance Sheet; Statement of Revenues, Expenditures, and Changes in Fund Balances; and Statement of Fiduciary Net Assets.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Richland Parish Sales and Use Tax Commission's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Richland Parish Sales and Use Tax Commission's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Richland Parish Sales and Use Tax Commission is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Richland Parish Sales and Use Tax Commission, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Richland Parish Sales and Use Tax Commission can be divided into two categories: governmental funds and fiduciary (agency) funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Richland Parish Sales and Use Tax Commission adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided for the general fund to demonstrate compliance with this budget.

**Fiduciary funds.** Fiduciary (agency) funds are used to account for resources held for the benefit of parties outside the government. Since these resources are not available to support the Richland Parish Sales and Use Tax Commission's programs, Fiduciary (agency) funds are not reflected in the government-wide financial statement.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplemental information* concerning the Richland Parish Sales and Use Tax Commission's performance.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Richland Parish Sales and Use Tax Commission exceeded liabilities by \$39,278. The largest portion of the Richland Parish Sales and Use Tax Commission's net position reflects its investment in capital assets (e.g., buildings and equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending.

An additional portion of the Richland Parish Sales and Use Tax Commission's net position represents resources that are subject to external restrictions (e.g., compensated absences). The balance in unrestricted net position is affected by two factors: 1) resources expended, over time, by the Richland Parish Sales and Use Tax Commission to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation assets.

STATEMENT OF NET POSITION

<b>ASSETS</b>	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$21,154	\$22,727
Receivables	15,652	15,371
Prepays	4,034	5,030
Net Pension assets		15,379
Capital assets (net of accumulated depreciation)	<u>27,382</u>	<u>30,202</u>
<b>TOTAL ASSETS</b>	<u>68,222</u>	<u>88,709</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related	<u>71,913</u>	<u>49,577</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$140,135</u>	<u>\$138,286</u>
<b>LIABILITIES</b>		
Accounts payable	\$1,656	\$656
Compensated Absences payable	3,018	7,938
Net pension liability	<u>90,498</u>	
<b>TOTAL LIABILITIES</b>	<u>95,172</u>	<u>8,594</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension related	<u>5,685</u>	<u>46,064</u>
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	27,382	30,202
Restricted for Compensated absences	3,018	7,938
Unrestricted	<u>8,878</u>	<u>45,488</u>
<b>TOTAL NET POSITION</b>	<u>39,278</u>	<u>83,628</u>
<b>TOTAL LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES AND NET POSITION</b>	<u>\$140,135</u>	<u>\$138,286</u>

## STATEMENT OF ACTIVITIES

	<u>2019</u>	<u>2018</u>
Finance and administrative:		
Personal services and related benefits	\$169,653	\$144,438
Operating services	33,761	28,301
Materials and supplies	4,420	4,717
Travel	7,532	41,142
Depreciation expense	<u>2,820</u>	<u>3,040</u>
Total Program Expenses	<u>218,186</u>	<u>221,638</u>
Program revenues:		
Fees, charges, and commissions for services	<u>187,824</u>	<u>184,448</u>
Net Program Expenses	(30,362)	(37,190)
General revenues:		
Interest earned	26	32
Other	<u>1,558</u>	<u>1,540</u>
Change in Net Position	(28,778)	(35,618)
Net Position - Beginning of year as restated	<u>68,056</u>	<u>119,246</u>
Net Position - End of year	<u>\$39,278</u>	<u>\$83,628</u>

### Financial Analysis of the Government's Funds

As noted earlier, the Richland Parish Sales and Use Tax Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2019, governmental fund balances of \$39,184 showed a decrease of \$3,288 over June 30, 2018. Of this fund balance, \$36,166 is unassigned.

A portion of the governmental fund balance is reserved for compensated absences. The reserved fund balance of \$3,018 decreased by approximately \$4,920. Richland Parish Sales and Use Tax Commission anticipates that this amount will increase in future years to accommodate the liability for future payments.

### General Fund Budgetary Highlights

There were no budget amendments for the current year.

### Capital Asset and Debt Administration

**Capital assets.** The Richland Parish Sales and Use Tax Commission's investment in capital assets for its governmental activities as of June 30, 2019, amounts to \$27,382 (net of accumulated depreciation). This investment includes buildings, furniture and equipment. There were no increases or decreases during the year.

**Long-term debt.** At the end of the year, the Richland Parish Sales and Use Tax Commission has long-term debt of \$3,018, which consists of compensated absences payable. The Commission also has a net pension liability of \$90,498 at June 30, 2019.

### **Requests for Information**

This financial report is designed to provide a general overview of the Richland Parish Sales and Use Tax Commission's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Richland Parish Sales and Use Tax Commission, P.O. Box 688, Rayville, LA 71269-0688.

October 29, 2019

**BASIC FINANCIAL STATEMENTS**

RICHLAND PARISH SALES AND USE  
TAX COMMISSION  
Rayville, Louisiana

STATEMENT OF NET POSITION  
June 30, 2019

<b>ASSETS</b>	
Cash and cash equivalents	\$21,154
Receivables	15,652
Prepays	4,034
Capital assets (net of accumulated depreciation)	<u>27,382</u>
<b>TOTAL ASSETS</b>	<u><b>68,222</b></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related	<u>71,913</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u><b>\$140,135</b></u>
<b>LIABILITIES</b>	
Accounts payable	\$1,656
Compensated absences payable	3,018
Net Pension liability	<u>90,498</u>
<b>TOTAL LIABILITIES</b>	<u><b>95,172</b></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related	<u>5,685</u>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	27,382
Restricted for Compensated absences	3,018
Unrestricted	<u>8,878</u>
<b>TOTAL NET POSITION</b>	<u><b>39,278</b></u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF     RESOURCES AND NET POSITION</b>	<u><b>\$140,135</b></u>

The accompanying notes are an integral part of this statement.

RICHLAND PARISH SALES AND USE  
TAX COMMISSION  
Rayville, Louisiana

STATEMENT OF ACTIVITIES  
June 30, 2019

Finance and administrative:	
Personal services and related benefits	\$169,653
Operating services	33,761
Materials and supplies	4,420
Travel	7,532
Depreciation expense	2,820
Total Program Expenses	<u>218,186</u>
Program revenues:	
Fees, charges, and commissions for services	<u>187,824</u>
Net Program Expenses	(30,362)
General revenues:	
Interest	26
Other	1,558
Change in Net Position	<u>(28,778)</u>
Net Position - Beginning of year	<u>68,056</u>
Net Position - End of year	<u><u>\$39,278</u></u>

The accompanying notes are an integral part of this statement.

RICHLAND PARISH SALES AND USE  
TAX COMMISSION  
Rayville, Louisiana  
GOVERNMENTAL FUNDS

Balance Sheet, June 30, 2019

**ASSETS**

Cash and cash equivalents	\$21,154
Receivables	15,652
Prepaid expenses	4,034
TOTAL ASSETS	<u>\$40,840</u>

**LIABILITIES AND FUND EQUITY**

## Liabilities:

Accounts payable	<u>\$1,656</u>
TOTAL LIABILITIES	<u>1,656</u>

## Fund Equity, fund balance:

Reserved for compensated absences	3,018
Unassigned	<u>36,166</u>
Total Fund Equity	<u>39,184</u>

TOTAL LIABILITIES AND FUND EQUITY	<u>\$40,840</u>
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The accompanying notes are an integral part of this statement.

RICHLAND PARISH SALES AND USE  
TAX COMMISSION  
Rayville, Louisiana

Reconciliation of Governmental Funds  
Balance Sheet to the Statement of Net Position

For the Year Ended June 30, 2019

Total Fund Balances at June 30, 2019 - Governmental Funds (Statement C)	\$39,184
Deferred outflows of resources	71,913
Cost of capital assets at June 30, 2019	\$108,921
Less: Accumulated depreciation	<u>(81,539)</u> <u>27,382</u>
Long term liabilities at June 30, 2019:	
Compensated absences payable	(3,018)
Net Pension liability	(90,498)
Deferred inflow of resources	<u>(5,685)</u>
Net Position at June 30, 2019 (Statement A)	<u><u>\$39,278</u></u>

The accompanying notes are an integral part of this statement.

RICHLAND PARISH SALES AND USE  
TAX COMMISSION  
Rayville, Louisiana  
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures  
and Changes in Fund Balance

For the Year Ended June 30, 2019

<b>REVENUES</b>	
Fees, charges, and commissions for services	\$187,824
Use of money and property	<u>26</u>
Total revenues	<u>187,850</u>
<b>EXPENDITURES</b>	
Finance and administrative:	
Current:	
Personal services and related benefits	145,425
Operating services	33,761
Materials and supplies	4,420
Travel and other charges	<u>7,532</u>
Total expenditures	<u>191,138</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>(3,288)</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>42,472</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u><u>\$39,184</u></u>

The accompanying notes are an integral part of this statement.

RICHLAND PARISH SALES AND USE  
TAX COMMISSION  
Rayville, Louisiana

Reconciliation of Governmental Funds  
Statement of Revenue, Expenditures, and Changes  
in Fund Balances to the Statement of Activities

For the Year Ended June 30, 2019

Total net change in fund balances - governmental funds (Statement D)	(\$3,288)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlay for the period.	(2,820)
In the Statement of Activities, certain operating expenses - compensated absences - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	4,920
Non-employer contributions to cost-sharing pension plan	1,558
Pension expense	<u>(29,148)</u>
Change in net position of governmental activities (Statement B)	<u>(\$28,778)</u>

The accompanying notes are an integral part of this statement.

RICHLAND PARISH SALES AND USE  
TAX COMMISSION  
Rayville, Louisiana  
Statement of Fiduciary Net Assets - Agency Fund

June 30, 2019

**ASSETS**

Cash and cash equivalents

\$4,746

**LIABILITIES**

Due to others

\$4,746

The accompanying notes are an integral part of this statement.

RICHLAND PARISH SALES AND USE  
TAX COMMISSION  
Rayville, Louisiana

Notes to the Financial Statements  
As of and For the Year Ended June 30, 2019

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As provided by Article VII, Section 3 of the Louisiana Constitution of 1974, the Richland Parish Sales and Use Tax Commission serves as the collector of sales and use taxes for the parish. The Richland Parish Sales and Use Tax Commission was established by joint agreement for the collection of sales and use taxes and other fees on April 14, 1992. The commission is comprised of nine members, Chief Administrative Officer of Town of Rayville or designee, Chief Administrative Office of Town of Delhi or designee, Chief Administrative Officer of Town of Mangham or designee, Clerk of the Town of Rayville, President of Richland Parish Police Jury or designee, Secretary of Richland Parish Police Jury, Superintendent of Richland Parish School Board or designee, President of Richland Parish School Board or designee, and Richland Parish Sheriff or designee. The commissioners serve for indefinite terms and without benefit of compensation.

The accompanying financial statements of the Richland Parish Sales and Use Tax Commission have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

**A. REPORTING ENTITY**

GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The Richland Parish Sales and Use Tax Commission was created as a political subdivision of the state under the provisions of Article VII, Section 3, 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, et cetera, 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 Richland 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

RICHLAND PARISH SALES AND USE  
TAX COMMISSION  
Rayville, Louisiana  
Notes to the Financial Statements (Continued)

are governed by independently elected officials. They are neither controllable by nor answerable to the Richland 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 Richland Parish Sales and Use Tax Commission.

**B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS**

The commission's basic financial statements include both government-wide (reporting the commission as a whole) and fund financial statements (reporting the commission's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the commission are classified as governmental.

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the commission, except for fiduciary funds. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net position are reported in three parts; invested in capital assets, net of any related debt; restricted net position; and unrestricted net position. The commission first uses restricted resources to finance qualifying activities.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

**Program Revenues** - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the commission's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the commission's general revenues.

RICHLAND PARISH SALES AND USE  
TAX COMMISSION  
Rayville, Louisiana  
Notes to the Financial Statements (Continued)

**Allocation of Indirect Expenses** - The commission reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Depreciation on buildings is assigned to the "general administration" function due to the fact that buildings serve multiple purposes. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS**

The financial transactions of the commission are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the commission. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

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.

**D. BASIS OF ACCOUNTING**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

**1. Accrual:**

Both governmental and business type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**2. Modified Accrual:**

The governmental funds financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds and the fiduciary type agency funds use the modified accrual basis of accounting. 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 pay liabilities of the current period. The governmental funds use the following practices in recording revenues and expenditures:

RICHLAND PARISH SALES AND USE  
TAX COMMISSION  
Rayville, Louisiana  
Notes to the Financial Statements (Continued)

**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.

**Expenditures:**

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

**E. 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, 2019, the commission has cash (book balances) totaling \$25,900.

*Custodial Credit Risk:* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, the 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 or exceed 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. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Tax Commission that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Tax Commission's name. The Tax Commission does not have a policy concerning custodial risk.

**RICHLAND PARISH SALES AND USE  
TAX COMMISSION**  
Rayville, Louisiana  
Notes to the Financial Statements (Continued)

Cash and cash equivalents (bank balances) at June 30, 2019, of \$53,213 is secured by FDIC insurance and pledged securities.

**F. CAPITAL ASSETS**

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The commission maintains a threshold level of \$100 or more for capitalizing capital assets.

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the commission, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	20 - 40 years
Furniture and fixtures	5 - 10 years
Vehicles	5 - 15 years
Equipment	5 - 20 years

**G. VACATION AND SICK LEAVE**

All employees earn from 10 to 15 days vacation leave each year depending on length of service. Unused vacation leave may be carried forward to the succeeding year up to a maximum of 10 days and is paid to employees upon separation from service.

All employees receive one day of sick leave per month. Unused sick leave may be carried forward to the succeeding year up to a maximum of 20 days and is paid to employees upon separation from service.

At June 30, 2019, employees of the commission have accumulated \$3,018 of employee leave benefits, computed in accordance with GASB Codification Section C60.

**RICHLAND PARISH SALES AND USE  
TAX COMMISSION**  
Rayville, Louisiana  
Notes to the Financial Statements (Continued)

**H. RISK MANAGEMENT**

The sales tax commission is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the commission maintains commercial insurance policies covering; automobile liability, medical payments, uninsured motorist, and collision; business liability; property coverage; workers compensation; and surety bond coverage. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. In addition to the above policies, the commission also maintains an errors and omissions claims paid policy. No claims have been filed on the policy during the past three years nor is the commission aware of any unfiled claims.

**I. PENSION PLANS**

The Richland Parish Sales and Use Tax Commission is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 3. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

**J. EQUITY CLASSIFICATIONS**

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups, such as creditors,

RICHLAND PARISH SALES AND USE  
TAX COMMISSION  
Rayville, Louisiana  
Notes to the Financial Statements (Continued)

grantors, contributors, or laws or regulations of other governments;  
or (2) law through constitutional provisions or enabling legislation.

- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

In the fund financial statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

*Nonspendable* - represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

*Restricted* - represents balances where constraints have been established by parties outside the Tax Commission or imposed by law through constitutional provisions or enabling legislation.

*Committed* - represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Tax Commission's highest level of decision-making authority.

*Assigned* - represents balances that are constrained by the government's intent to be used for specific purposes, but are not restricted nor committed.

*Unassigned* - represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

The General Fund has an unassigned fund balance of \$39,184. If applicable, the Tax Commission would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

RICHLAND PARISH SALES AND USE  
TAX COMMISSION  
Rayville, Louisiana  
Notes to the Financial Statements (Continued)

**K. ESTIMATES**

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

**L. RESTATEMENT OF NET POSITION**

Errors were made during the GASB 68 calculation in the prior year. The net effect of the restatement to correct this error will be to decrease net position of the Tax Commission by \$15,572.

The effect to the Government-Wide Statement of Net Position is as follows:

Total Net Position, June 30, 2018, as previously stated	\$83,628
Net Change in Net Pension at June 30, 2019	<u>(15,572)</u>
Total Net Position, June 30, 2019, Restated	<u><u>\$68,056</u></u>

**2. CHANGES IN CAPITAL ASSETS**

The following schedule presents changes in buildings, office furnishings and equipment for the year ended June 30, 2019:

Adjusted balance, June 30, 2018	\$108,921
Additions	NONE
Deletions	<u>NONE</u>
Balance, June 30, 2019	108,921
Less accumulated depreciation	<u>(81,539)</u>
Net Capital Assets	<u><u>\$27,382</u></u>

**3. NOTE DISCLOSURES AND REQUIRED SUPPLEMENTARY  
INFORMATION FOR A COST-SHARING EMPLOYER**

The Parochial Employees' Retirement System of Louisiana (System) is a cost-sharing multiple-employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the state of Louisiana or any governing body or a parish which employs and pays persons serving the parish.

Substantially all employees of the Richland Parish Sales and Use Tax Commission are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. This system is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Commission are members of Plan A.

*Summary of Significant Accounting Policies.*

The Parochial Employees' Retirement System of Louisiana prepares its employer pension schedules in accordance with Governmental Accounting Statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. GASB Statement No. 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. It also provides methods to calculate participating employer's proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense and amortization periods for deferred inflows and deferred outflows.

The System's employer pension schedules were prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. The member's earnable compensation is attributed to the employer for which the member is employed as of December 31, 2018.

The System complies with the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans*, which included specifying the approach of contributing entities to measure pension liabilities for benefits provided through the pension plan.

*Plan Fiduciary Net Position*

Plan fiduciary net position is a significant component of the System's collective net pension liability. The System's plan fiduciary net position was determined using the accrual basis of accounting. The System's assets, liabilities, revenues, and expenses were recorded with the use of estimates and assumptions in

RICHLAND PARISH SALES AND USE  
TAX COMMISSION  
Rayville, Louisiana  
Notes to the Financial Statements (Continued)

conformity with accounting principles generally accepted in the United States of America. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the System's investments. Accordingly, actual results may differ from estimated amounts.

*Plan Description.*

The Parochial Employees' Retirement System of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established and provided for by R.S. Title 11:1901 of the Louisiana Revised Statute (LRS).

The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the state which does not have their own retirement system and which elects to become members of the System.

All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and social Security criteria have up to 90 days from the date of hire to elect to participate.

Any member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with 30 years of service.
2. Age 62 with 10 years of service.
3. Age 67 with 7 years of service.

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

RICHLAND PARISH SALES AND USE  
TAX COMMISSION  
Rayville, Louisiana  
Notes to the Financial Statements (Continued)

The Parochial Employees’ Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2018. Access to the report can be found on the System’s website: [www.persla.org](http://www.persla.org) or on the Office of Louisiana Legislative Auditor’s website, [www.lla.state.la.us](http://www.lla.state.la.us).

The process of preparing the schedule of employer allocations and schedule of pension amounts in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Accordingly, actual result may differ from estimated amounts.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2019, the Commission reported an liability of \$90,498 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Commissions’ proportion of the net pension liability was based on a projection of the Commissions’ long-term share of contributions to the pension plan relative to the projected contributions of all participating employers’, actuarially determined. At December, 31, 2018, the Commissions’ proportion was .0204 percent, which was a decrease of .00033 from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the Commission recognized pension expense of \$29,148. At June 30, 2019, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Beginning balance		\$5,514
Change in system deferred outflows and inflows of resources	\$22,629	
Changes in proportionate share	43,322	
Differences between Sheriff contributions and proportionate share of contributions	31	133
Sheriff contributions subsequent to the measurement date	5,931	38
Total	\$71,913	\$5,685

\$5,931 reported as deferred outflows of resources related to pensions resulting from the Commissions’ contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

RICHLAND PARISH SALES AND USE  
TAX COMMISSION  
Rayville, Louisiana  
Notes to the Financial Statements (Continued)

Year ended June 30:	
2019	\$20,712
2020	11,272
2021	9,174
2022	19,139
Total	\$60,297

*Actuarial assumptions.* The total pension asset in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	4.75%
Investment rate of	6.50%, net of investment expense

Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.

The discounted rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up).

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2018 are summarized in the following table:

RICHLAND PARISH SALES AND USE  
TAX COMMISSION  
Rayville, Louisiana  
Notes to the Financial Statements (Continued)

Asset Class	Expected Rate of Return	
	Target Asset Allocation	Long-term Expected Portfolio Real Rate of Return
Fixed Income	35%	1.22%
Equity	52%	3.45%
Alternative Investments	11%	0.65%
Real assets	2%	0.11%
Totals	100%	5.43%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.43%

*Sensitivity of the Commissions' proportionate share of the net pension liability to changes in the discount rate.*  
The following presents the net pension asset of the participating employers calculated using the discount rate of 6.75%, as well as what the employers' net pension liability as of December 31, 2017, would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate.

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Commissions' proportionate share of the net pension liability	\$192,197	\$90,498	\$5,489

**5. FUND BALANCE RESERVE**

To provide assurances that it will be financially able to pay all compensated absence liabilities, the commission has set up a reserve account to fund those expenditures as they occur. The following schedule provides detail on changes in the reserve during the year ended June 30, 2019.

Balance on hand at July 1, 2018	\$7,938
Additions	10,082
Reductions	(15,319)
Adjustments	317
Balance on hand at June 30, 2019	<u>\$3,018</u>

**RICHLAND PARISH SALES AND USE  
TAX COMMISSION**  
Rayville, Louisiana  
Notes to the Financial Statements (Continued)

Adjustment to compensated absences balance at June 30, 2019, was made to reflect differences due to changes in beginning and ending pay rates.

**6. LITIGATION AND CLAIMS**

In the opinion of the commission's legal counsel, the commission is not involved in any litigation at June 30, 2019, that would materially affect the financial position of the commission nor is it aware of any unasserted claims.

**7. COLLECTION FOR OTHERS**

The following is a schedule of collections for others:

	<u>TOTAL COLLECTIONS</u>	<u>COLLECTION COSTS</u>	<u>FINAL DISTRIBUTION</u>
Richland Parish School Board	\$6,255,109	\$77,153	\$6,177,956
Richland Parish Police Jury	4,601,271	56,755	4,544,516
Richland Parish Sheriff	1,533,652	18,918	1,514,734
Town of Delhi	1,164,300	14,332	1,149,968
Town of Rayville	1,568,594	19,381	1,549,213
Town of Mangham	104,861	1,287	103,574
	<u>15,227,787</u>	<u>187,826</u>	<u>15,039,961</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**PART II**

RICHLAND PARISH SALES AND USE  
TAX COMMISSION  
Rayville, Louisiana

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Year Ended June 30, 2019

	<u>BUDGET</u>	<u>ACTUAL (BUDGETARY BASIS)</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Fees, charges, and commissions for services	\$187,826	\$187,824	(\$2)
Use of money and property - interest earnings		26	26
Total revenues	<u>187,826</u>	<u>187,850</u>	<u>24</u>
<b>EXPENDITURES</b>			
Finance and administrative			
Current:			
Personal services and related benefits	145,126	145,425	(299)
Operating services	32,600	33,761	(1,161)
Materials and supplies	4,200	4,420	(220)
Travel and other charges	5,900	7,532	(1,632)
Total expenditures	<u>187,826</u>	<u>191,138</u>	<u>(3,312)</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	NONE	(3,288)	(3,288)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>NONE</u>	<u>42,472</u>	<u>42,472</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>NONE</u>	<u>\$39,184</u>	<u>\$39,184</u>

RICHLAND PARISH SALES AND USE  
TAX COMMISSION  
Rayville, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE  
For the Year Ended June 30, 2019

A proposed budget, prepared on the modified accrual basis of accounting, is prepared by the Administrator of the Richland Parish Tax Commission on or before May 1<sup>st</sup> of each year. The budget is then legally adopted by the Board of Commissioners and amended during the year, as necessary. If agreement is not reached in adopting the proposed budget by June 15<sup>th</sup>, fifty percent of the amounts appropriated for the last fiscal year are deemed to be re-appropriated. Appropriations lapse at year-end and must be re-appropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts.

**Richland Parish Sales and Use Tax Commission**  
**Schedule of Employer's Share of Net Pension Liability**  
**June 30, 2019**

Fiscal Year *	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.021097%	\$5,768	\$119,387	4.83%	99.15%
2015	0.021042%	\$55,389	\$120,651	45.91%	99.23%
2016	0.020574%	\$42,372	\$122,014	34.73%	94.15%
2017	0.020720%	(\$15,379)	\$127,540	(12.06%)	102.00%
2018	0.020390%	\$90,498	\$122,230	74.04%	88.86%

\* Amounts presented were determined as of the measurement date (previous fiscal year end).

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**Richland Parish Sales and Use Tax Commission**  
**Schedule of Employer Contributions**  
**June 30, 2019**

Fiscal Year *	Contractually Required Contribution	Contributions in Relations to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
2014	\$19,102	\$19,102	\$0	\$119,387	16.00%
2015	\$17,494	\$17,494	\$0	\$120,651	14.50%
2016	\$15,862	\$15,862	\$0	\$122,014	13.00%
2017	\$15,942	\$15,942	\$0	\$127,540	12.50%
2018	\$14,056	\$14,056	\$0	\$122,230	11.50%

\* Amounts presented were determined as of the end of the fiscal year.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

OTHER SUPPLEMENTARY INFORMATION

PART III

RICHLAND PARISH SALES AND USE  
TAX COMMISSION  
Rayville, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head  
For the Year Ended June 30, 2019

DEBRA COOPER, ADMINISTRATOR

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$78,283
Benefits-insurance	7,869
Benefits-retirement	16,439
Benefits-medicare	1,135
Travel - mileage	2,883
Lodging	3,173
Dues	813
Registration fees	460
Continuing Professional Education	749

RICHLAND PARISH SALES AND USE  
TAX COMMISSION  
Rayville, Louisiana  
SUPPLEMENTAL INFORMATION SCHEDULE  
For the Year Ended June 30, 2019

**GOVERNMENTAL FUND TYPE - GENERAL FUND**

The General Fund is used to account for the general operating expenditures of the commission. Schedule 3 provides a detail of expenditures, by category, for the General Fund.

RICHLAND PARISH SALES AND USE  
 TAX COMMISSION  
 Rayville, Louisiana  
 GOVERNMENTAL FUND TYPE - GENERAL FUND

Schedule of Expenditures, By Character  
 For the Year Ended June 30, 2019

**PERSONAL SERVICES**

Salaries	\$112,029
Medicare taxes	2,200
Retirement contributions	15,146
Group insurance contributions	15,738
Worker's compensation insurance	312
Total personal services	<u>145,425</u>

**OPERATING SERVICES**

Audit costs	8,244
Computer services	2,610
Dues and subscriptions	972
Insurance	641
Office building	1,617
Office expense	88
Repairs and maintenance - building, equipment and computer	374
Professional services	10,282
Postage and delivery	1,320
Telephone	3,788
Utilities	3,825
Total operating services	<u>33,761</u>

**MATERIALS AND SUPPLIES**

Building supplies	364
Office supplies	4,056
Total materials and supplies	<u>4,420</u>

**TRAVEL AND OTHER**

Travel	6,224
Seminars and training	1,308
Total travel and other	<u>7,532</u>
Total expenditures	<u>\$191,138</u>

RICHLAND PARISH SALES AND USE  
TAX COMMISSION  
Rayville, Louisiana  
SUPPLEMENTAL INFORMATION SCHEDULE  
For the Year Ended June 30, 2019

**FIDUCIARY FUND TYPE - AGENCY FUND**

**SALES TAX COLLECTION FUND**

Article VII, Section 3 of the Louisiana Constitution of 1974, provides that the commission shall be authorized to serve as the single collector of sales and use taxes in Richland Parish. The Sales Tax Collection Agency Fund is used to account for the collection and distribution of these taxes to the appropriate taxing bodies.

RICHLAND PARISH SALES AND USE  
 TAX COMMISSION  
 Rayville, Louisiana  
 FIDUCIARY FUND TYPE - SALES TAX COLLECTION  
 AGENCY FUND

Schedule of Changes in Balances  
 Due to Others  
 For the Year Ended June 30, 2019

<b>DEPOSIT BALANCE AT BEGINNING OF YEAR</b>	<b>\$4,380</b>
<b>ADDITION</b>	
Sales tax collections	15,275,674
Total additions	15,275,674
<b>DEDUCTIONS</b>	
Taxes distributed to others:	
Richland Parish School Board	6,177,956
Richland Parish Police Jury	4,544,516
Richland Parish Sheriff	1,514,734
Town of Delhi	1,149,968
Town of Rayville	1,549,213
Town of Mangham	103,574
Richland Parish Sales Tax Commission	187,824
Revenue Recovery	47,523
Total deductions	15,275,308
<b>DEPOSIT BALANCE AT END OF YEAR</b>	<b>\$4,746</b>

**REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS  
PART IV**

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

The following independent Auditor's report on compliance with laws, regulations, and contracts, and internal control is 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 Auditors 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***

**RICHLAND PARISH SALES AND USE  
TAX COMMISSION**  
Rayville, Louisiana

I have audited, in accordance with the 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, the financial statements of the governmental activities, the major fund and the fiduciary fund of the Richland Parish Sales and Use Tax Commission as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Richland Parish Sales and Use Tax Commission's basic financial statements, and have issued my report thereon dated October 29, 2019.

**Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered the Richland Parish Sales and Use Tax Commission's internal control over financial reporting(internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Richland Parish Sales and Use Tax Commission's internal control. Accordingly, I do not express an opinion on the effectiveness of the Richland Parish Sales and Use Tax Commission's internal control.

*A deficiency in internal control* exist 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 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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified. I did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2019-002, that I consider to be a significant deficiency.

**RICHLAND PARISH SALES AND  
USE TAX COMMISSION**  
Rayville, Louisiana  
Independent Auditor's Report on Compliance  
And Internal Control Over Financial Reporting, etc.  
June 30, 2019

**Compliance and Other Matters**

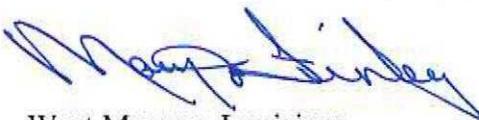
As part of obtaining reasonable assurance about whether Richland Parish Sales and Use Tax Commission's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is included as finding 2019-001 in the accompanying schedule of findings and responses.

**Richland Parish Sales Tax Commission's Response to Findings**

Richland Parish Sales Tax Commission's response to the findings identified in my audit is described in the accompanying schedule of findings and responses. Richland Parish Sales Tax Commission's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Richland Parish Sales and Use Tax Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Richland Parish Sales and Use Tax Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



West Monroe, Louisiana  
October 29, 2019

RICHLAND PARISH SALES AND  
USE TAX COMMISSION  
Rayville, Louisiana  
Schedule of Findings and Responses  
For the Year Ended June 30, 2019

**A. SUMMARY OF AUDIT RESULTS**

1. The Auditor's report expresses an unmodified opinion on the financial statements of Richland Parish Sales and Use Tax Commission.
2. One instance of noncompliance material to the financial statements of Richland Parish Sales and Use Tax Commission was disclosed during the audit.
3. One significant deficiency relating to the audit of the financial statements is reported in the Independent Auditor's Report on Internal Control.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

**2019-001 Failing to Comply with Article 7, Section 14 of the Louisiana Constitution**

**Condition:** While performing various audit procedures, it was noted that the Richland Parish Sales and Use Tax Commission advanced wages to an employee.

**Criteria:** Article 7, Section 14 of the Louisiana Constitution prohibits any governmental entity from loaning, pledging or donating anything of value to any person, association, or corporation, public or private.

**Cause of Condition:** An employee of the Richland Parish Sales and Use Tax Commission's office was paid in advance for time which she had not yet earned. The Richland Parish Sales and Use Tax Commission has two employees and they are paid on a weekly basis. Beginning in July, 2018 and continuing through March, 2019 the administrator was paid from 2 to 32 days early. The July 6, 2018 payroll check, payable to the administrator, cleared the bank on July 2, 2018 and each paycheck from that time through the March 29, 2019 paycheck cleared the bank before the wages were earned. A total of 39 paychecks, payable to the administrator, cleared the bank an average of 18 days before the pay periods ended and the wages were earned.

**Effect of Condition:** Material noncompliance relating to the financial statements.

**Recommendation:** Management should track all paychecks to ensure no employee is paid in advance for time not yet earned.

**Response:** See Management's Corrective Action Plan.

RICHLAND PARISH SALES  
AND USE TAX COMMISSION  
Rayville, Louisiana  
Schedule of Findings & Responses  
For the Year Ended June 30, 2019

**2019-002 Inadequate Segregation of Duties**

**Condition:** The segregation of duties is inadequate to provide effective internal control.

**Criteria:** Adequate segregation of duties is essential to a proper internal control.

**Cause of Condition:** The condition is due to economic limitations.

**Effect of Condition:** Not determined.

**Recommendation:** No action is recommended.

**Response:** See Management's Corrective Action Plan.

**RICHLAND PARISH SALES AND  
USE TAX COMMISSION  
Rayville, Louisiana**

**Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2019**

There were no findings reported in the audit report for the year ended June 30, 2018.

# **RICHLAND PARISH TAX COMMISSION**

**P. O. Box 688  
Rayville, Louisiana 71269  
(318) 728-0043  
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**E-mail: [richlandsalestax@lnotsouth.com](mailto:richlandsalestax@lnotsouth.com)**

**Debra B. Cooper, Administrator**

**Harry Lewis, Mayor of Rayville  
& Chairman of the RPTC Board**

## **PROUDLY SERVING:**

**Richland School Board - Town of Delhi  
Richland Police Jury - Town of Mangham  
Richland Sheriff Dept. - Town of Rayville**

October 29, 2019

Daryl G. Purpera, CPA, CFE  
Louisiana Legislative Auditor  
1600 North Third Street  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Purpera:

This letter is in response to the schedule of findings we received on our audit for the year ended June 30, 2019.

### **Finding: 2019-001**

During the year ended June 30, 2019, it was noted that the Richland Parish Tax Commission advanced wages to an employee.

### **Recommendation:**

Management should track all paychecks to ensure no employee is paid in advance for time not earned.

### **Management's Response:**

Due to extenuating circumstances, this occurred during this audit period. After becoming aware of the problem in March, 2019, the error was corrected. The Commission was not monetarily harmed, and the employee did not receive more money than the budgeted amount for the year ended June 30, 2019. Management will track all paychecks in the future to ensure no employee is paid in advance for time not earned.

**Finding: 2019-002**

The segregation of duties is inadequate to provide effective internal control.

**Recommendation:**

No action is recommended.

**Management's Response:**

Due to the number of employees at the Richland Parish Tax Commission, there are not enough employees to segregate duties as much as wanted to provide effective internal control.

*Harris Lewis*  
*Mayor*

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

## MARY JO FINLEY, CPA, INC.

A PROFESSIONAL ACCOUNTING CORPORATION  
116 Professional Drive - West Monroe, LA 71291  
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Practice Limited to  
Governmental Accounting,  
Auditing and  
Financial Reporting

### Independent Accountant's Report on Applying Agreed-Upon Procedures

Richland Parish Sales Tax Commission  
PO Box 688  
Rayville, LA 71269

To the Richland Parish Sales Tax Commission's Office

I have performed the procedures enumerated below, which were agreed to by the management of the Richland Parish Sales Tax Commission's Office and the Louisiana Legislative Auditor, State of Louisiana, on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. Management of Richland Parish Sales Tax Commission's Office is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

#### **AGREED-UPON PROCEDURES**

#### **WRITTEN POLICIES AND PROCEDURES**

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operation):
  - A. Budgeting, including preparing, adopting, monitoring, and amending the budget.
  - B. Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - C. Disbursements, including processing, reviewing, and approving

- D. Receipts/Collections, including receiving, recording, and preparing deposits. Also policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- E. Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- F. Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- G. Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- H. Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- I. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- J. Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- K. Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification personnel, processes, and tools needed to recover operations after a critical event.

The Richland Parish Sales Tax Commissions has a complete policy and procedures manual covering the above categories. The Disaster Recovery/Business Continuity policy and procedures was added as required.

**BOARD (OR FINANCE COMMITTEE, IF APPLICABLE)**

*Board (or Finance Committee, if applicable)*

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- 2. The Richland Parish Sales Tax Commissions had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

## BANK RECONCILIATIONS

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
  - A) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
  - B) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation(e.g., initialed and dated, electronically logged); and
  - C) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

The agency provided me with a certified list of all bank accounts. January, 2019 was randomly selected to be tested. The agency had a total of 4 bank accounts, so all bank accounts were tested. It was determined that the bank reconciliations were dated to show they were reconciled within 2 months of the closing date of the statements. It was determined that all of the bank reconciliations were performed by the administrator and no evidence they were reviewed by any other employees. None of the 4 accounts had outstanding reconciling items over 12 months.

## COLLECTIONS

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Agency provided me with a certified list of deposit sites and I verified that it was complete.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - A) Employees that are responsible for cash collections do not share cash drawers/registers.
  - B) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

- C) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- D) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

The agency has 1 collection location with one cash register. Multiple employees work out of the cash register. All collection payments are posted to the accounting system by the administrator. Bank reconciliations are prepared by the administrator. Any cash received is deposited daily. The deposits are made by an employee or the administrator who also reconciles bank statements. The collections are posted to the accounting system when deposits are made. The deposits are posted by the administrator to the quickbooks accounting system. The employee and the administrator reconcile the cash drawer on a weekly basis. (Certain times of the month deposits are made more frequently when more money is received). The deposit information is posted by the administrator to the Quickbooks accounting software.

- 6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

The sales tax commission has an employee theft insurance policy that covers all employees.

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statement when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposit and:

- A) Observe that receipts are sequentially pre-numbered.
- B) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip,
- C) Trace the deposit slip total to the actual deposit per the bank statement.
- D) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
- E) Trace the actual deposit per the bank statement to the general ledger.

The sales tax commission does not use pre-numbered receipts, the system generates receipts when money is collected. Deposit documentation was traced to the supporting

documentation for the days receipts. The deposit slips selected were traced to the bank statement. The sales tax commission makes weekly deposits. The deposits were traced to the posting in the quickbooks accounting software.

#### **NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)**

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Agency provided a complete list of locations that process payments and represented that the list was complete.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

A) At least two employees are involved in initialing a purchase request, approving a purchase, and placing an order/making the purchase.

B) At least two employees are involved in processing and approving payments to vendors.

C) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

D) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

The sales tax commission does not use a purchase order system. The administrator initiates and approves all purchases. Only 1 person is involved in the purchasing process. The board reviews all purchases on a quarterly basis. The administrator add vendors to the quickbooks software. The administrator, board president, and the board secretary sign all checks (2 signatures are required).

10. The Richland Parish Sales Tax Commission had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

#### **CREDIT CARDS/DEBIT CARDS/FUEL CARDS/P-CARDS**

11. The Richland Parish Sales Tax Commission had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

12. The Richland Parish Sales Tax Commission had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

13. The Richland Parish Sales Tax Commission had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

#### **TRAVEL AND EXPENSE REIMBURSEMENT**

14. The Richland Parish Sales Tax Commission had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

#### **CONTRACTS**

15. The Richland Parish Sales Tax Commission had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

#### **PAYROLL AND PERSONNEL**

16. The Richland Parish Sales Tax Commission had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

17. The Richland Parish Sales Tax Commission had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

18. The Richland Parish Sales Tax Commission had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

19. The Richland Parish Sales Tax Commission had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

#### **ETHICS (EXCLUDING NONPROFITS)**

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and:

A) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

B) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Agency provided support for ethics training for the only two employees. Agency had documentation to show that the employees have read the agency policy concerning the ethics policy.

## **DEBT SERVICE**

21. The Richland Parish Sales Tax Commission had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
22. The Richland Parish Sales Tax Commission had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

## **OTHER**

23. The Richland Parish Sales Tax Commission had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
24. The Richland Parish Sales Tax Commission had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

  
Mary Jo Finley, CPA  
October 29, 2019

# **RICHLAND PARISH TAX COMMISSION**

**P. O. Box 688  
Rayville, Louisiana 71269  
(318) 728-0043  
FAX (318) 728-0178**

**E-mail: [richlandsalestax@inetsouth.com](mailto:richlandsalestax@inetsouth.com)**

**Debra B. Cooper, Administrator**

**Harry Lewis, Mayor of Rayville  
& Chairman of the RPTC Board**

## **PROUDLY SERVING:**

**Richland School Board - Town of Delhi  
Richland Police Jury - Town of Mangham  
Richland Sheriff Dept. - Town of Rayville**

## Responses to Independent Accountant's Report On Applying Agreed-Upon Procedures For the Year Ended June 30, 2019

### Written Policies and Procedures

1. A. No response needed.
- B. Due to the number of employees at the Richland Parish Tax Commission, there are not enough employees to segregate duties as much as wanted by the AUP guidelines.
- C. No response needed.
- D. Due to the number of employees at the Richland Parish Tax Commission, there are not enough employees to segregate duties as much as wanted by the AUP guidelines.
- E. No response needed.
- F. No response needed.
- G. No response needed.
- H. No response needed.
- I. The Richland Parish Tax Commission has written policies and procedures, however, we did not have signatures from employees that they had read the agency's policy on ethics. This will be corrected for the next reporting period.
- J. No response needed.
- K. No response needed.

## Board

2. No response needed.

## Bank Reconciliations

3. Due to the number of employees at the Richland Parish Tax Commission, there are not enough employees to segregate duties as much as wanted by the AUP guidelines.

## Collections

4. No response needed.
5. A. Due to the number of employees at the Richland Parish Tax Commission, there are not enough employees to segregate duties as much as wanted by the AUP guidelines.  
B. Due to the number of employees at the Richland Parish Tax Commission, there are not enough employees to segregate duties as much as wanted by the AUP guidelines.  
C. No response needed.  
D. No response needed.
6. No response needed.
7. A. The Richland Parish Tax Commission has written policies and procedures, however, we do not use pre-numbered receipts. We use a batch system and each sales tax return has its own specific tracking number.  
B. No response needed.  
C. No response needed.  
D. Deposits are made at least once per week. If cash is received, it is deposited on a daily basis.  
E. No response needed.

### Disbursements

8. No response needed.
9. A. Due to the number of employees at the Richland Parish Tax Commission, there are not enough employees to segregate duties as much as wanted by the AUP guidelines.  
B. Due to the number of employees at the Richland Parish Tax Commission, there are not enough employees to segregate duties as much as wanted by the AUP guidelines. However, all disbursements are approved by the Commission and all checks have dual signatures.  
C. Due to the number of employees at the Richland Parish Tax Commission, there are not enough employees to segregate duties as much as wanted by the AUP guidelines.  
D. No response needed.
10. No response needed.

### Credit Cards

11. No response needed.
12. No response needed.
13. No response needed.

### Travel and Expense Reimbursement

14. No response needed.

### Contracts

15. No response needed.

### Payroll and Personnel

16. No response needed.
17. No response needed.
18. No response needed.
19. No response needed.

Ethics

20. The Richland Parish Tax Commission has written policies and procedures, however, we did not have signatures from employees that they had read the agency's policy on ethics. This will be corrected for the next reporting period.

Debt Service

21. No response needed.

22. No response needed.

Other

23. No response needed.

24. No response needed.



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Harry Lewis, Mayor of Rayville  
Chairman of the Richland Parish Tax Commission  
October 29, 2019