

RICHLAND PARISH SALES AND USE TAX COMMISSION
Rayville, Louisiana

Financial Statements
For the Year Ended June 30, 2020

Richland Parish Sales and Use Tax Commission
Rayville, Louisiana

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Richland Parish Sales and Use Tax Commission
Rayville, Louisiana

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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, each major fund, and the aggregate remaining fund information of the Richland Parish Sales and Use Tax Commission (Commission), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the 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 entity'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 entity'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 basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Richland Parish Sales and Use Tax Commission, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Employer Contributions to Pension Plan, and the Budgetary Comparison Schedules, 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 our inquiries, the basic financial statements, and other knowledge we obtained during our 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 opinions on the financial statements that collectively comprise the Richland Parish Sales and Use Tax Commission's office basic financial statements. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements.

The schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated November 18, 2020, on my consideration of the 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

David M. South, CPA (SPAC)

West Monroe, Louisiana
November 18, 2020

REQUIRED SUPPLEMENTAL INFORMATION (PART A)
MANAGEMENT'S DISCUSSION AND ANALYSIS

RICHLAND PARISH SALES AND USE TAX COMMISSION

Rayville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

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, 2020. 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 bear 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 \$15,349,572 in taxes to its member agencies during the year ended June 30, 2020, an increase of \$121,785 or 1% over the prior fiscal year.

The expenditures of \$191,455 for the year ended June 30, 2020 reflect an increase of \$13,118 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.

Basic Financial Statements

Government-Wide financial statements. The *government-wide financial statements* are designed to provide readers with a road 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.

RICHLAND PARISH SALES AND USE TAX COMMISSION
Rayville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

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 major 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 Commission's programs, Fiduciary (agency) funds are not reflected in the government-wide 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 supplementary 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, liabilities of the Richland Parish Sales and Use Tax Commission exceeded assets by \$20,702. The largest portion of the Richland Parish Sales and Use Tax Commission's net position reflects its investment in capital assets (e.g. equipment). These assets are not available for future spending. 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 on assets.

RICHLAND PARISH SALES AND USE TAX COMMISSION
Rayville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

STATEMENT OF NET POSITION

	June 30	
	2020	2019
ASSETS		
Cash and Cash Equivalents	\$ 22,390	\$ 21,154
Receivables	15,970	15,652
Due From Other Funds	479	-
Prepaid Expenses	2,845	4,034
Capital Assets (net of accumulated depreciation)	34,563	27,382
Total Assets	76,247	68,222
 DEFERRED OUTFLOWS OF RESOURCES		
Pension Related	17,066	71,913
 TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 93,313	\$ 140,135
 LIABILITIES		
Accounts Payable	\$ 2,306	\$ 1,656
Compensated Absences Payable	4,056	3,018
Net Pension Liability	780	90,498
Total Liabilities	7,142	95,172
 DEFERRED INFLOWS OF RESOURCES		
Pension Related	69,525	5,685
 NET POSITION		
Invested in Capital Assets, net of related debt	34,563	27,382
Unrestricted	(17,917)	11,896
Total Net Position	16,646	39,278
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 93,313	\$ 140,135

RICHLAND PARISH SALES AND USE TAX COMMISSION
Rayville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

STATEMENT OF ACTIVITIES

	June 30	
	<u>2020</u>	<u>2019</u>
FINANCE AND ADMINISTRATIVE		
Personal Services	\$ 126,935	\$ 169,653
Operating Services	48,853	33,761
Materials and Supplies	3,146	4,420
Travel	874	7,532
Depreciation Expense	2,779	2,820
Total Program Expenses	<u>182,587</u>	<u>218,186</u>
PROGRAM REVENUES:		
Fees, Charges and Commissions for Services	191,634	187,824
NET PROGRAM EXPENSES	9,047	(30,362)
GENERAL REVENUES:		
Grants and Contributions Not Restricted to Specific Programs:		
Interest Earned	15	26
Other	-	1,558
Total General Revenues	<u>15</u>	<u>1,584</u>
CHANGE IN NET POSITION	9,062	(28,778)
NET POSITION - BEGINNING OF THE YEAR (RESTATED)	<u>7,584</u>	<u>68,056</u>
NET POSITION - END OF THE YEAR	<u>\$ 16,646</u>	<u>\$ 39,278</u>

RICHLAND PARISH SALES AND USE TAX COMMISSION
Rayville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

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, 2020, the General Fund unreserved, undesignated fund balance of \$39,378 showed an increase of \$194 from June 30, 2019.

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, 2020, amounts to \$34,563 (net of accumulated depreciation). This investment includes furniture and equipment. There were no additions or deletions in capital assets for the year.

Long-term debt. The Richland Parish Sales and Use Tax Commission contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare insurance for eligible retirees through the Commission's group health insurance plan.

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 information should be addressed to the Richland Parish Sales and Use Tax Commission, PO Box 688, Rayville, LA 71269.

BASIC FINANCIAL STATEMENTS

RICHLAND PARISH SALES AND USE TAX COMMISSION
Rayville, Louisiana

STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities
<i><u>Assets</u></i>	
Cash and Cash Equivalents	\$ 22,390
Accounts Receivable	15,970
Due From Sales Tax Collection Fund	479
Prepaid Expenses	2,845
Capital Assets:	
Depreciable	34,563
Total Assets	76,247
<i><u>Deferred Outflows of Resources</u></i>	
Resources Related to Pensions	17,066
<i><u>Liabilities</u></i>	
Accounts Payable	2,306
Compensated Absences	4,056
Net Pension Liability	780
Total Liabilities	7,142
<i><u>Deferred Inflows of Resources</u></i>	
Resources Related to Pensions and OPEB	69,525
<i><u>Net Position</u></i>	
Net Investment in Capital Assets	34,563
Net Position - Unrestricted	(17,917)
Total Net Position	\$ 16,646

The accompanying notes are an integral part of this financial statement.

RICHLAND PARISH SALES AND USE TAX COMMISSION
Rayville, Louisiana

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities: Public Safety & Judicial Prosecution	\$ 182,587	\$ 191,634	\$ -	\$ -	\$ 9,047
			General Revenues:		
			Interest Earnings		15
			Total General Revenues		15
			Changes in Net Position		9,062
			Net Position - Beginning (Restated)		7,584
			NET POSITION - ENDING		\$ 16,646

The accompanying notes are an integral part of this financial statement.

RICHLAND PARISH SALES AND USE TAX COMMISSION
Rayville, Louisiana

BALANCE SHEET, GOVERNMENTAL FUND
JUNE 30, 2020

	<u>General Fund</u>
<u>Assets</u>	
Cash and Cash Equivalents	\$ 22,390
Accounts Receivable	15,970
Due From Sales Tax Collection Fund	479
Prepaid Expenses	2,845
<u>Total Assets</u>	<u>\$ 41,684</u>
 <u>LIABILITIES AND FUND BALANCE</u>	
<u>Liabilities</u>	
Accounts Payable	<u>2,306</u>
<u>Total Liabilites</u>	2,306
 <u>Fund Balance</u>	
Unassigned	39,378
 <u>TOTAL LIABILITIES AND</u> <u>FUND BALANCE</u>	 <u>\$ 41,684</u>

The accompanying notes are an integral part of this financial statement.

RICHLAND PARISH SALES AND USE TAX COMMISSION
Rayville, Louisiana

BALANCE SHEET, GOVERNMENTAL FUND
JUNE 30, 2020

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

*Amounts reported for governmental activities in the Statement of Net Position are
different because:*

Fund Balance, Governmental Funds:	\$	39,378
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		34,563
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		(4,056)
Net pension liability does not require the use of current financial resources and therefore is not reported in the funds.		(780)
The net effect of deferred outflows of resources and deferred inflows of resources related to pensions do not require the use of current financial resources and therefore are not reported in the funds.		<u>(52,459)</u>
Net Position of Governmental Activities	\$	<u>16,646</u>

The accompanying notes are an integral part of this financial statement.

RICHLAND PARISH SALES AND USE TAX COMMISSION
Rayville, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	<u>General Fund</u>
<u>Operating Revenue</u>	
Fees, Charges, and Commissions for Services	\$ 191,634
Use of Money and Property - Interest Earnings	15
Total Operating Revenue	191,649
 <u>Operating Expenditures</u>	
Current:	
General Government	
Personnel Services	128,622
Operating Services	48,853
Materials and Supplies	13,106
Travel and Other Charges	874
Total Operating Expenditures	191,455
 <u>Excess (Deficiency) of Revenues Over</u>	
<u>Expenditures</u>	194
 <u>Fund Balance - Beginning of the Year</u>	39,184
 <u>FUND BALANCE - END OF THE YEAR</u>	\$ 39,378

The accompanying notes are an integral part of this financial statement.

RICHLAND PARISH SALES AND USE TAX COMMISSION
Rayville, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

**Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
To the Statement of Activities**

*Amounts reported for governmental activities in the Statement of Activities
are different because:*

Net change in fund balances - total governmental funds	\$	194
Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Expenditures for capital assets		9,960
Less current year depreciation		<u>(2,779)</u>
		7,181
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds		
		(4,056)
Governmental funds report current year pension contributions as expenditures. However, in the statement of activities, these contributions are reported as deferred inflows of resources and the District's proportionate share of the plans pension expense is reported as pension expense.		
		(2,713)
The District's proportionate share of non-employer contributions to the pension plans do not provide current financial resources and are not reported in the governmental funds.		
		<u>8,456</u>
Changes in net position of governmental activities	\$	<u><u>9,062</u></u>

The accompanying notes are an integral part of this financial statement.

Statement G

RICHLAND PARISH SALES AND USE TAX COMMISSION
Rayville, Louisiana

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2020

ASSETS

Cash and Cash Equivalents \$ 5,885

TOTAL ASSETS 5,885

LIABILITIES

Deposits Due Others 5,885

TOTAL LIABILITIES \$ 5,885

The accompanying notes are an integral part of this financial statement.

RICHLAND PARISH SALES AND USE TAX COMMISSION
Rayville, Louisiana

FIDUCIARY FUND TYPE - AGENCY FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Sales Tax Collection Fund</u>
<u>Unsettled Deposits at</u>	
<u>Beginning of the Year</u>	\$ 4,746
Additions	
Collections for Others	15,553,473
Interest Earned on Investments	1,138
Total Additions	<u>15,554,611</u>
Total	15,559,357
Reductions	
Distributions To:	
Richland Parish School Board	6,325,063
Richland Parish Police Jury	4,714,682
Richland Parish Sheriff's Office	1,571,453
Town of Rayville	1,638,599
Town of Mangham	106,847
Town of Delhi	1,184,563
Revenue Recovery Group	12,265
Total Reductions	<u>15,553,472</u>
<u>UNSETTLED DEPOSITS AT</u>	
<u>END OF THE YEAR</u>	<u>\$ 5,885</u>

The accompanying notes are an integral part of this financial statement.

RICHLAND PARISH SALES AND USE TAX COMMISSION
Rayville, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

INTRODUCTION

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 9 members, Chief Administrative Officer of the Town of Rayville or designee, Chief Administrative Officer of Town of Delhi or designee, Chief Administrative Office of the Town of Mangham or designee, Commission 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION The accompanying basic financial statements of the Richland Parish Sales and Use Tax Commission have been prepared in conformity with United States Generally Accepted Accounting Principles (GAAP) as applied to governmental units.

B. 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 government reporting entity. The Commission includes all funds, account groups, activities, etc. 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, Commission of Court, and municipalities with the Parish, are excluded from the accompanying financial statements. These units of local government are governed by independently elected officials. They are neither controllable by nor answerable to the Richland Parish Sales and Use Tax Commission. Further, their operations do not require approval of the Commission nor is the Commission legally or morally responsible for their actions. They are considered separate from those of the Richland Parish Sales and Use Tax Commission.

C. FUND ACCOUNTING The Commission uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Commission functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Funds of the Commission are classified into two categories; governmental and fiduciary. In turn each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds Governmental funds account for all or most of the Commission's general activities. These funds focus on the sources, uses, and balances of current financial resources. The following is the Commission's governmental fund:

RICHLAND PARISH SALES AND USE TAX COMMISSION
Rayville, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General Fund – The General Fund, as provided by Louisiana Revised Statute 13:781 is the principal fund of the Commission 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 Funds 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. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government- Wide Financial Statements

The statement of net position and the statement of activities display information about the reporting government as a whole. The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities and deferred outflows/inflows of resources 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, liabilities and deferred outflows/inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of GASB No. 33, *Accounting and Financial Reporting for Non - exchange transactions*. Fiduciary funds are not included in the government-wide financial statements.

Program Revenues - Program revenues included in the Statement of Activities derive directly from parties outside the Commission’s taxpayers or citizenry, as a whole. Program revenues reduce the costs of the function to be financed from the Commission’s general revenues.

Fund Financial Statements (FFS)

The amounts reflected in the Governmental fund statements are accounted for using a current financial resources measurement focus and a 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.

The amounts reflected in the General Fund 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 Commission considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. 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
FOR THE YEAR ENDED JUNE 30, 2020

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (CONTINUED)

The agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

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 of accounting when the related fund liability is incurred.

E. BUDGETS The Commission uses the following budget practices:

An annual operating budget is adopted each year for the General Fund and the modified accrual basis of accounting is used to reflect actual revenues and expenditures, which is consistent with accounting principles generally accepted in the United States of America.

All appropriations lapse at year-end and any unexpended fund balance is carried forward into subsequent years. Formal budget integration is not employed as a management control device, and the Commission does not use encumbrance accounting.

F. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. The Commission considers all short-term, highly liquid investments with original maturities of 90 days or less to be treated as cash equivalents. Under state law, the Commission may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

G. CAPITAL ASSETS Capital assets are capitalized at historical cost or estimated historical costs for assets where actual cost is not available. Donated assets, if any, are recorded as capital assets at their estimated fair market value at the date of donation. The Commission maintains a threshold level of \$500 or more for capitalizing capital assets.

<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

RICHLAND PARISH SALES AND USE TAX COMMISSION
Rayville, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

H. ANNUAL AND SICK LEAVE All employees of the Commission's office earn from 10 to 15 days of vacation leave each year, depending on length of service. Unearned 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 of the Commission's office earn one day of sick leave per month. 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, 2020, employees of the Commission have accumulated \$4,056 of employee leave benefits, computed in accordance with GASB Codification Section C60.

I. RISK MANAGEMENT The 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 professional liability and surety bond coverage. In addition to the above policies, the Commission also maintains an errors and omissions claims paid policy with the Louisiana Commissions of Court Risk Management Agency. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2020.

J. FUND BALANCE OF FUND FINANCIAL STATEMENTS

Fund balance amounts are reported within the fund balance categories as follows:

Non-spendable: Fund balance that is not in spendable form or legally or contractually required to be maintained intact.

Restricted: Fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed: Fund balance that can only be used for specific purposes determined by the Commission. Committed amounts cannot be used for any other purpose unless the Commission removes or changes the specified use by taking the same type of action it employed to previously commit the funds.

Assigned: Fund balance that is constrained by the Commission's intent to be used for specific purposes but are neither restricted nor committed. Intent should be expressed by the Commission.

Unassigned: Fund balance that is the residual classification for the general fund or a deficit fund balance in other funds.

The Commission reduces committed amounts, followed by assigned amounts and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The Commission considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available.

K. INTERFUND TRANSACTIONS Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as transfers.

RICHLAND PARISH SALES AND USE TAX COMMISSION
Rayville, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

L. 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.

M. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow or resources (expense/expenditure) until then. The Commission has one item, deferred outflows related to pensions that qualifies in this category and is reported only in the governmental activities.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time. The Commission has one item, deferred inflows related to pensions that qualifies in this category and is reported only in the governmental activities.

For purposes 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 the retirement systems and additions to/deductions from the retirements systems fiduciary net position have been determined on the same basis as they are reported by the retirement systems.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 – CASH AND CASH EQUIVALENTS

Deposits are stated at cost, which approximate fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in the holding or custodial bank that is mutually acceptable to both parties.

Interest Rate Risk: The Commission's policy does not address interest rate risk.

Credit Risk: The Commission has no investments; however, the Commission's policy does not address credit rate risk.

Custodial Credit Risk: At year-end the Commission's carrying amount of deposits was \$28,275 and the bank balance was \$176,478, which all federally insured by FDIC insurance.

The Commission's policy does not address custodial credit risk. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, 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 Commission that the fiscal agent has failed to pay deposited funds upon demand.

RICHLAND PARISH SALES AND USE TAX COMMISSION
Rayville, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 3 – RECEIVABLES

Accounts receivable at June 30, 2020 was \$15,970 which was for June 2020 collection fees.

NOTE 4 – CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2020, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
Furniture & Equipment	\$ 108,921	\$ 9,960	\$ -	\$ 118,881
Less Accumulated Depreciation				
Furniture & Equipment	(81,539)	(2,779)	-	(84,318)
Capital Assets, Net	<u>\$ 27,382</u>	<u>\$ 7,181</u>	<u>\$ -</u>	<u>\$ 34,563</u>

Depreciation expense of \$2,779 was charged to expense.

NOTE 5 – PENSION PLAN

Retirement Systems

Parochial Employees' Retirement System of Louisiana (System)

Plan Description

The Richland Parish Tax Commission contributes to the Parochial Employees' Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. All permanent employees working at least 28 hours per week are eligible to participate in the System. As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join PERS. Section 1901 through 2025 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:1901-2025) and other general laws of the State of Louisiana govern PERS.

The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Richland Parish Tax Commission are members of Plan A.

Any member of Plan A who was hired prior to January 1, 2007, can retire providing he/she meets one of the following criteria:

1. Any age after 30 years of creditable service.
2. Age 55 after 25 years of creditable service.
3. Age 60 after 10 years of creditable service.
4. Age 65 after seven years creditable service.

RICHLAND PARISH SALES AND USE TAX COMMISSION
Rayville, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 5 – PENSION PLAN (Continued)

Eligibility for retirement for Plan A members hired on or after January 1, 2007 is as follows:

1. Age 55 after 30 years of creditable service.
2. Age 62 after 10 years of creditable service.
3. Age 67 after seven years of creditable 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 employee's final average compensation multiplied by his or her years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

The System also provides death and disability benefits. Benefits are established or amended by state statute.

For the year ended June 30, 2020, the Richland Parish Tax Commission's total payroll for all employees was \$99,838. Total covered payroll was \$99,838. Covered payroll refers to all compensation paid by the Richland Parish Tax Commission to active employees covered by the Plan.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Parochial Employees Retirement System of Louisiana, 7509 Wrenwood Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 928-1361, or by visiting the System's website www.persla.org.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2020, the actual employer contribution rate was 11.50% for Plan A, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Richland Parish Tax Commission's contributions to the System under Plan A for the year ending June 30, 2020 were \$11,858. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations.

Under Plan A, members are required by state statute to contribute 9.50% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the Richland Parish Tax Commission to the System monthly.

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

At June 30, 2020, the Employer reported a liability of \$780 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Richland Parish Tax Commission's proportion of the Net Pension Liability was based on a projection of the Richland Parish Tax Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

RICHLAND PARISH SALES AND USE TAX COMMISSION
Rayville, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 5 – PENSION PLAN (Continued)

At December 31, 2019, the Richland Parish Tax Commission’s proportion was 0.016569%, which was a decrease of 0.003312% from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the Richland Parish Tax Commission recognized pension expense of \$15,114 plus employer’s amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was (\$12,401). Total pension expense for the Richland Parish Tax Commission for the year ended June 30, 2020 was \$2,713.

At June 30, 2020, the Richland Parish Tax 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
Differences between expected and actual experience	-	6,984
Changes in assumption	10,895	-
Net difference between projected and actual earnings on pension plan investments	-	29,243
Changes in employer’s portion of beginning net pension liability	15	3,877
Differences between employer contributions and proportionate share of employer contributions	-	29,421
Subsequent measurement contributions	6,155	-
Total	17,065	69,525

Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30,	
2021	(17,370)
2022	(15,090)
2023	(3,492)
2024	(22,661)

RICHLAND PARISH SALES AND USE TAX COMMISSION
Rayville, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 5 – PENSION PLAN (Continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2019, are as follows:

Valuation Date	December 31, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.50% (net of investment expense, including inflation)
Expected remaining service lives	4 years
Projected salary increases	4.75%
Inflation Rate	2.40%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Mortality rates	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 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). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.18% for the year ended December 31, 2019.

RICHLAND PARISH SALES AND USE TAX COMMISSION
Rayville, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 5 – PENSION PLAN (Continued)

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, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	35%	1.05%
Equity	52%	3.41%
Alternatives	11%	0.61%
Real Assets	2%	0.11%
Totals	100%	5.18%
Inflation		2.00%
Expected arithmetic nominal return		7.18%

Discount Rate

The discount rate used to measure the total pension liability was 6.50% for Plan A and 6.50% for Plan B. 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.

Sensitivity of the Richland Parish Tax Commission’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Richland Parish Tax Commission’s proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the Richland Parish Tax Commission’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.50%) or one percentage-point higher (7.50%) than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Employer’s proportionate share of net pension liability	84,317	780	(69,222)

RICHLAND PARISH SALES AND USE TAX COMMISSION
Rayville, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 5 – PENSION PLAN (Continued)

Payables to the Pension Plan

These financial statements include a payable to the pension plan of \$0, which is the legally required contribution due at June 30, 2020. This amount is recorded in accrued expenses.

Plan Fiduciary Net Position

Detailed information about the Plan’s fiduciary net position is available in the separately issued Parochial Employees’ Retirement System of Louisiana Audit Report at www.persla.org.

NOTE 6 – LITIGATION AND CLAIMS

The Richland Parish Sales and Use Tax Commission is not involved in any litigation at June 30, 2020, nor are they aware of any unasserted claims.

NOTE 7 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 18, 2020, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

NOTE 8 – COLLECTIONS FOR OTHERS

The following is a schedule for collections for others:

	<u>Total Collections</u>	<u>Collections Costs</u>	<u>Final Distribution</u>
Richland Parish School Board	\$ 6,325,063	\$ 77,857	\$ 6,247,205
Richland Parish Police Jury	4,714,682	58,023	4,656,660
Richland Parish Sheriff	1,571,453	19,340	1,552,113
Town of Delhi	1,184,563	14,684	1,169,878
Town of Rayville	1,638,599	20,260	1,618,340
Town of Mangham	<u>106,847</u>	<u>1,471</u>	<u>105,376</u>
Totals	<u>\$ 15,541,207</u>	<u>\$ 191,635</u>	<u>\$15,349,572</u>

The difference of \$12,266 was remitted to the sales tax audits for revenue recovery.

NOTE 9 – 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 \$31,694.

RICHLAND PARISH SALES AND USE TAX COMMISSION
Rayville, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 9 – COVID 19

The Covid-19 outbreak in the United States and our state has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and whether those closings will precipitate a wider economic recession. As a result, the related financial impact on the Council and the duration cannot be estimated at this time.

REQUIRED SUPPLEMENTAL INFORMATION (PART B)

RICHLAND PARISH SALES AND USE TAX COMMISSION
Rayville, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>Budgetary Basis</u>	<u>Variance With</u> <u>Final Budget</u> <u>Over(Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Operating Revenue</u>				
Fees, Charges and Commissions for Services	191,635	191,635	\$ 191,634	\$ (1)
Use of Money and Property - Interest Earnings	-	-	15	15
Total Operating Revenues	<u>\$ 191,635</u>	<u>\$ 191,635</u>	<u>\$ 191,649</u>	<u>\$ 14</u>
<u>Operating Expenditures</u>				
General Government				
Personnel Services	135,810	135,810	128,622	7,188
Contractual Charges	46,525	46,525	48,853	(2,328)
Materials and Supplies	3,400	3,400	13,106	(9,706)
Travel and Other Charges	5,900	5,900	874	5,026
Total Expenditures	<u>191,635</u>	<u>191,635</u>	<u>191,455</u>	<u>180</u>
<u>Excess (Deficiency) of Revenues Over</u> <u>Expenditures</u>	-	-	194	194
<u>Fund Balance - Beginning of the Year</u>	<u>39,184</u>	<u>39,184</u>	<u>39,184</u>	<u>-</u>
<u>FUND BALANCE - END OF THE YEAR</u>	<u>\$ 39,184</u>	<u>\$ 39,184</u>	<u>\$ 39,378</u>	<u>\$ 194</u>

The accompanying notes are an integral part of this financial statement.

Schedule II

RICHLAND PARISH SALES AND USE TAX COMMISSION
Rayville, Louisiana

SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2020

Fiscal Year	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension of the net pension liability (asset)	Agency's covered payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	0.021097%	\$ 5,768	\$ -	0%	99.15%
2016	0.021042%	\$ 55,389	\$ -	0%	92.23%
2017	0.020574%	\$ 42,372	\$ -	0%	94.15%
2018	0.020720%	\$ (15,379)	\$ -	0%	101.98%
2019	0.019882%	\$ 88,243	\$ -	0%	88.86%
2020	0.016569%	\$ 780	\$ -	0%	99.89%

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.

Schedule III

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2020

Fiscal Year	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency	Agency's covered payroll	Contributions as a percentage of covered payroll
2015	\$ -	\$ -	\$ -	\$ -	0.00%
2016	\$ -	\$ -	\$ -	\$ -	0.00%
2017	\$ -	\$ -	\$ -	\$ -	0.00%
2018	\$ -	\$ -	\$ -	\$ -	0.00%
2019	\$ -	\$ -	\$ -	\$ -	0.00%
2020	\$ 11,858	\$ 11,858	\$ -	\$ 99,838	11.88%

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.

The accompanying notes are an integral part of this financial statement.

RICHLAND PARISH SALES AND USE TAX COMMISSION
Rayville, Louisiana

SCHEDULE OF EXPENDITURES BY CHARACTER
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

<u>Personal Services</u>	
Salaries	\$ 99,838
Medicare Taxes	2,231
Retirement Contributions	11,556
Group Insurance Contributions	14,727
Worker's Compensation Insurance	270
Total Personal Services	<u>128,622</u>
<u>Operating Services</u>	
Audit Costs	7,751
Computer Services	2,670
Dues and Subscriptions	912
Insurance	500
Office Building	1,719
Office Expense	103
Repairs and Maintenance	1,545
Professional Services	24,911
Postage and Delivery	869
Telephone	4,208
Utilities	3,665
Total Operating Services	<u>48,853</u>
<u>Materials and Supplies</u>	
Capital Outlay	9,960
Building Supplies	315
Office Supplies	2,831
Total Materials and Supplies	<u>13,106</u>
<u>Travel and Other</u>	
Travel	30
Seminars	844
Total Travel and Other	<u>874</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 191,455</u>

The accompanying notes are an integral part of this financial statement.

RICHLAND PARISH SALES AND USE TAX COMMISSION
Rayville, Louisiana
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2020

A proposed budget, prepared on the modified accrual basis of accounting, is prepared by the Administrator of the Richland Parish Tax Commissioners and amended during the year, as necessary. If agreement is not reached in adopting the proposed budget by June 15th, 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 reappropriated 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 and all subsequent amendments.

SUPPLEMENTARY INFORMATION

RICHLAND PARISH SALES AND USE TAX COMMISSION
Rayville, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED JUNE 30, 2020

Agency Head: Debra Cooper

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 64,749
Benefits – Insurance	\$ 7,545
Benefits – Retirement	\$ 6,151
Continuing Professional Education	\$ 844
Travel	\$ 30
Dues	\$ 630
Office Supplies	\$ 152

OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING*
STANDARDS AND BY OFFICE OF MANAGEMENT AND BUDGET
UNIFORM GUIDANCE

**Independent Auditor's 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, each major fund, and the aggregate remaining fund information of the Richland Parish Sales and Use Tax Commission (Commission), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated November 18, 2020.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the 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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, I do not express an opinion on the effectiveness of the Commission's internal control.

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

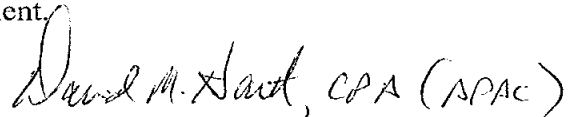
Richland Parish Sales and
Use Tax Commission
Rayville, Louisiana
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

David M. Sant, CPA (APAC)

West Monroe, Louisiana
November 18, 2020

RICHLAND PARISH SALES AND USE TAX COMMISSION
Rayville, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

Richland Parish Sales and
Use Tax Commission
Rayville, Louisiana

I have audited the financial statements of Richland Parish Sales and Use Tax Commission as of and for the year ended June 30, 2020, and have issued my report thereon dated November 18, 2020. 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. My audit of the financial statements as of June 30, 2020, resulted in an unqualified opinion.

Section I- Summary of Auditor's Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness yes no

Significant Deficiencies not considered to be
Material Weaknesses yes no

Compliance

Compliance Material to Financial Statements yes no

B. Federal Awards – N/A

Material Weakness Identified yes no

Significant Deficiencies not considered to be
Material Weaknesses yes no

Type of Opinion on Compliance For Major Programs (No Major Programs)

Unqualified Qualified

Disclaimer Adverse

Are their findings required to be reported in accordance with the Uniform Guidance,
Section .510 (a)? N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster) CFDA Number(s) N/A

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a "low-risk" auditee, as defined by the Uniform Guidance? N/A

RICHLAND PARISH SALES AND USE TAX COMMISSION
Rayville, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

Section I - Internal Control and Compliance Material to the Financial Statements

2020-1 Inadequate Segregation of Duties

Criteria: Proper internal controls require that accounting duties be performed by separate individuals so that one individual could not perpetrate and conceal errors or irregularities without them being detected by another individual who was performing his or her assigned duties.

Condition: All accounting duties are performed by one employee.

Cause: Limited number of employees due to the small size of the Commission.

Effect: Errors or irregularities may not be detected within a timely period.

Recommendation: None

Management's Response: It is not feasible to correct this deficiency based on the size of the Tax Commission.

Section II - Financial Statement Findings

No findings were reported under this section.

Section III - Management Letter

No management letter was issued.

RICHLAND PARISH SALES AND USE TAX COMMISSION
Rayville, Louisiana
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020

Section I - Internal Control and Compliance Material to the Financial Statements

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.

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

Finding Status: The finding has been resolved.

2019-002 **Inadequate Segregation of Duties**

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

Recommendation: No action is recommended

Finding Status: Unresolved, see finding 2020-01 in current year findings.

Section II - Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III - Management Letter

This section is not applicable for this entity.