

**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, 2017  
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, 2017  
With Supplemental Information Schedules

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RICHLAND PARISH SALES AND USE  
 TAX COMMISSION  
 Arcadia, Louisiana  
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Member:  
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Practice Limited to  
Governmental Accounting,  
Auditing and  
Financial Reporting

### 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 and major fund of the Richland Parish Sales and Use Tax Commission as of June 30, 2017, 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.

RICHLAND PARISH SALES  
AND USE TAX COMMISSION  
Rayville, Louisiana  
Independent Auditor's Report, June 30, 2017

*Opinions*

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position and major fund of the Richland Parish Sales and Use Tax Commission as of June 30, 2017, 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.

*Other Matters*

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 11 and the budgetary comparison information on pages 34 through 35, and the schedule of the Commissions' proportionate share of the net pension liability on pages 36 through 37, 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 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 combining and individual nonmajor fund financial statements are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The schedule of compensation, benefits, and other payments to agency head on page 39 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 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.

RICHLAND PARISH SALES  
AND USE TAX COMMISSION  
Rayville, Louisiana  
Independent Auditor's Report,  
June 30, 2017

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

In accordance with *Government Auditing Standards*, I have also issued a report dated August 7, 2017, 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 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 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 Richland Parish Sales and Use Tax Commission's internal control over financial reporting and compliance.



West Monroe, Louisiana  
August 7, 2017

**REQUIRED SUPPLEMENTARY INFORMATION  
PART I**

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

**Management's Discussion and Analysis  
June 30, 2017**

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, 2017. 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 \$15,563,784 in taxes to its member agencies during the year ended June 30, 2017, a decrease of \$502,832 or 3% over the prior fiscal year.

The expenditures of \$188,092 for the year ended June 30, 2017 reflect an increase of \$8,386 over the prior fiscal year. The operations of the Commission for the year ending June 30, 2017 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 \$119,246. 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

	2017	2016
<b>ASSETS</b>		
Cash and cash equivalents	\$58,001	\$15,369
Receivables	19,967	15,005
Prepays	4,134	2,644
Capital assets (net of accumulated depreciation)	<u>33,242</u>	<u>37,901</u>
<b>TOTAL ASSETS</b>	<u>115,344</u>	<u>70,919</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related	64,815	79,731
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$180,159</u>	<u>\$150,650</u>
<b>LIABILITIES</b>		
Accounts payable	\$809	\$1,515
Withholdings payable	6,119	7,864
Compensated Absences payable	3,634	3,213
Net pension liability	<u>42,372</u>	<u>55,389</u>
<b>TOTAL LIABILITIES</b>	<u>52,934</u>	<u>67,981</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension related	7,979	8,844
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	33,242	37,901
Restricted for Compensated absences	3,634	3,213
Unrestricted	<u>82,370</u>	<u>32,711</u>
<b>TOTAL NET POSITION</b>	<u>119,246</u>	<u>73,825</u>
<b>TOTAL LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES AND NET POSITION</b>	<u><b>\$180,159</b></u>	<u><b>\$150,650</b></u>

STATEMENT OF ACTIVITIES

	2017	2016
Finance and administrative:		
Personal services and related benefits	\$156,133	\$150,355
Operating services	24,255	32,860
Materials and supplies	4,517	4,090
Travel	6,162	4,116
Depreciation expense	4,659	6,083
Total Program Expenses	<u>195,726</u>	<u>197,504</u>
Program revenues:		
Fees, charges, and commissions for services	239,602	185,064
Net Program Expenses	43,876	(12,440)
General revenues:		
Interest earned	25	8
Other	1,520	1,531
Change in Net Position	<u>45,421</u>	<u>(10,901)</u>
Net Position - Beginning of year as restated	<u>73,825</u>	<u>84,726</u>
Net Position - End of year	<u><u>\$119,246</u></u>	<u><u>\$73,825</u></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, 2017, governmental fund balances of \$75,174 showed an increase of \$51,535 over June 30, 2016. Of this fund balance, \$71,540 is unassigned.

A portion of the governmental fund balance is reserved for compensated absences. The reserved fund balance of \$3,634 increased by approximately \$421. 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, 2017, amounts to \$33,242 (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 \$3,634, which consists of compensated absences payable. The Commission also has a net pension liability of \$42,372 at June 30, 2017.

#### **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.

August 7, 2017

## **BASIC FINANCIAL STATEMENTS**

**Statement A****RICHLAND PARISH SALES AND USE  
TAX COMMISSION  
Rayville, Louisiana****STATEMENT OF NET POSITION  
June 30, 2017****ASSETS**

Cash and cash equivalents	\$58,001
Receivables	19,967
Prepays	4,134
Capital assets (net of accumulated depreciation)	<u>33,242</u>
<b>TOTAL ASSETS</b>	<u>115,344</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Pension related	<u>64,815</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$180,159</u>

**LIABILITIES**

Accounts payable	\$809
Withholdings payable	6,119
Compensated absences payable	3,634
Net pension liability	<u>42,372</u>
<b>TOTAL LIABILITIES</b>	<u>52,934</u>

**DEFERRED INFLOWS OF RESOURCES**

Pension related	<u>7,979</u>
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**NET POSITION**

Invested in capital assets, net of related debt	33,242
Restricted for Compensated absences	3,634
Unrestricted	<u>82,370</u>
<b>TOTAL NET POSITION</b>	<u>119,246</u>

**TOTAL LIABILITIES, DEFERRED INFLOWS OF  
RESOURCES AND NET POSITION**\$180,159

The accompanying notes are an integral part of this statement.

Statement B

RICHLAND PARISH SALES AND USE  
TAX COMMISSION  
Rayville, Louisiana

STATEMENT OF ACTIVITIES  
June 30, 2017

Finance and administrative:

Personal services and related benefits	\$156,133
Operating services	24,255
Materials and supplies	4,517
Travel	6,162
Depreciation expense	4,659
<b>Total Program Expenses</b>	<b>195,726</b>

Program revenues:

Fees, charges, and commissions for services	239,602
<b>Net Program Expenses</b>	<b>43,876</b>

General revenues:

Interest	25
Other	1,520
<b>Change in Net Position</b>	<b>45,421</b>
Net Position - Beginning of year	73,825
<b>Net Position - End of year</b>	<b>\$119,246</b>

The accompanying notes are an integral part of this statement.

**Statement C**

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

Balance Sheet, June 30, 2017

**ASSETS**

Cash and cash equivalents	\$58,001
Receivables	19,967
Prepaid expenses	4,134
<b>TOTAL ASSETS</b>	<b><u>\$82,102</u></b>

**LIABILITIES AND FUND EQUITY**

## Liabilities:

Accounts payable	\$809
Withholdings payable	6,119
<b>TOTAL LIABILITIES</b>	<b><u>6,928</u></b>

## Fund Equity, fund balance:

Reserved for compensated absences	3,634
Unassigned	71,540
<b>Total Fund Equity</b>	<b><u>75,174</u></b>

<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$82,102</u></b>
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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, 2017

Total Fund Balances at June 30, 2017 - Governmental Funds (Statement C)	\$75,174
Deferred outflows of resources	64,815
Cost of capital assets at June 30, 2017	\$108,921
Less: Accumulated depreciation	<u>(75,679)</u> <u>33,242</u>
Long term liabilities at June 30, 2017:	
Net pension liability	(42,372)
Compensated absences payable	(3,634)
Deferred inflow of resources	<u>(7,979)</u>
Net Position at June 30, 2017 (Statement A)	<u><u>\$119,246</u></u>

The accompanying notes are an integral part of this statement.

Statement D

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, 2017

**REVENUES**

Fees, charges, and commissions for services	\$239,602
Use of money and property	25
Total revenues	<u>239,627</u>

**EXPENDITURES**

Finance and administrative:

Current:

Personal services and related benefits	153,158
Operating services	24,255
Materials and supplies	4,517
Travel and other charges	6,162
Total expenditures	<u>188,092</u>

**EXCESS OF REVENUES**

**OVER EXPENDITURES**

| 51,535 |

**FUND BALANCE AT BEGINNING OF YEAR**

| 23,639 |

**FUND BALANCE AT END OF YEAR**

| \$75,174 |

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, 2017

Total net change in fund balances - governmental funds (Statement D)	\$51,535
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.	(4,659)
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).	(421)
Non-employer contributions to cost-sharing pension plan	1,520
Pension expense	<u>(2,554)</u>
Change in net position of governmental activities (Statement B)	<u>\$45,421</u>

The accompanying notes are an integral part of this statement.

**Statement E**

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

June 30, 2017

**ASSETS**

Cash and cash equivalents	<u>\$1,791</u>
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**LIABILITIES**

Due to others	<u>\$1,791</u>
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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, 2017

**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.

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

**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, 2017, the commission has cash (book balances) totaling \$59,792.

These deposits are stated at cost, which approximates market. 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. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash (bank balances) at June 30, 2017, total \$162,564 and are fully secured by federal deposit insurance and pledged securities.

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

**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, 2017, employees of the commission have accumulated \$3,634 of employee leave benefits, computed in accordance with GASB Codification Section C60.

**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

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

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.

## 2. CHANGES IN CAPITAL ASSETS

The following schedule presents changes in buildings, office furnishings and equipment for the year ended June 30, 2017:

Adjusted balance, June 30, 2016	\$108,921
Additions	NONE
Deletions	<u>NONE</u>
Balance, June 30, 2017	108,921
Less accumulated depreciation	<u>(75,679)</u>
Net Capital Assets	<u><u>\$33,242</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

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

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 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, 2016.

*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 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.

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

*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.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. 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.la.gov](http://www.lla.la.gov).

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

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

At June 30, 2017, the Commission reported a liability of \$42,372 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, 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, 2016, the Commissions' proportion was .02106 percent, which was a decrease of .0005 from its proportion measured as of December 31, 2016.

For the year ended June 30, 2017, the Commission recognized pension expense of \$2,554. At June 30, 2017, 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	\$79,719	\$8,832
Change in system deferred outflows and inflows of resources	(22,095)	(1,388)
Changes in proportionate share		5
Differences between Sheriff contributions and proportionate share of contributions		530
Sheriff contributions subsequent to the measurement date	7,191	
Total	\$64,815	\$7,979

\$7,191 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:

Year ended June 30:	
2017	\$12,477
2018	13,284
2019	8,653
2020	(889)
Total	\$33,525

RICHLAND PARISH SALES AND USE

TAX COMMISSION

Rayville, Louisiana

Notes to the Financial Statements (Continued)

**Actuarial assumptions.** The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	5.25% (2.50% Inflation 2.75% merit)
Investment rate of return	7.00%, net of investment expense

Mortality rates were based on the RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Table was selected for healthy annuitants and beneficiaries. RP-2000 disabled Lives Mortality Table was selected for disabled annuitants.

The discounted rate used to measure the total pension liability was 7.00%. 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).

**Sensitivity of the Commissions' proportionate share of the net pension liability to changes in the discount rate.** The following presents the net pension liability of the participating employers calculated using the discount rate of 7.00%, as well as what the employers' net pension liability 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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Commissions' proportionate share of the net pension liability	\$126,753	\$42,372	(\$28,974)

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

**4. CHANGES IN AGENCY FUND BALANCES**

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

Balance at July 1, 2016	\$3,079
Additions	15,561,207
Deductions	(15,562,495)
Balance at June 30, 2017	<u>\$1,791</u>

**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, 2017.

Balance on hand at July 1, 2016	\$3,213
Additions	9,322
Reductions	(9,014)
Adjustments	<u>113</u>
Balance on hand at June 30, 2017	<u>\$3,634</u>

Adjustment to compensated absences balance at June 30, 2017, 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, 2017, 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:

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

	<u>TOTAL COLLECTIONS</u>	<u>COLLECTION COSTS</u>	<u>FINAL DISTRIBUTION</u>
Richland Parish School Board	\$6,399,890	\$98,583	\$6,301,307
Richland Parish Police Jury	4,735,696	72,927	4,662,769
Richland Parish Sheriff	1,578,461	24,307	1,554,154
Town of Delhi	1,202,045	18,573	1,183,472
Town of Rayville	1,525,095	23,797	1,501,298
Town of Mangham	90,174	1,415	88,759
	<u>15,531,361</u>	<u>239,602</u>	<u>15,291,759</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**PART II**

**Schedule 1**

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

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Year Ended June 30, 2017**

	<u>BUDGET</u>	<u>ACTUAL (BUDGETARY BASIS)</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Fees, charges, and commissions for services	\$239,601	\$239,602	\$1
Use of money and property - interest earnings	25	25	25
Total revenues	<u>239,601</u>	<u>239,627</u>	<u>26</u>
<b>EXPENDITURES</b>			
Finance and administrative			
Current:			
Personal services and related benefits	179,501	153,158	26,343
Operating services	52,600	24,255	28,345
Materials and supplies	3,600	4,517	(917)
Travel and other charges	3,900	6,162	(2,262)
Total expenditures	<u>239,601</u>	<u>188,092</u>	<u>51,509</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>			
	NONE	51,535	51,535
<b>FUND BALANCE AT BEGINNING OF YEAR</b>			
	NONE	23,639	23,639
<b>FUND BALANCE AT END OF YEAR</b>			
	<u>NONE</u>	<u>\$75,174</u>	<u>\$75,174</u>

RICHLAND PARISH SALES AND USE  
TAX COMMISSION  
Rayville, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE  
For the Year Ended June 30, 2017

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.

**Schedule 2**

**Richland Parish Sales and Use Tax Commission**  
**Schedule of Employer's Share of Net Pension Liability**  
**June 30, 2017**

Actuarial Valuation Date	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
December 31, 2014	0.021090%	\$5,768	\$129,151	4.47%	99.15%
December 31, 2015	0.021042%	\$55,389	\$119,658	46.29%	92.23%
December 31, 2016	0.020574%	\$42,372	\$119,665	35.41%	94.15%

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

**Schedule 3****Richland Parish Sales and Use Tax Commission  
Schedule of Employer Contributions  
June 30, 2017**

Actuarial Valuation Date	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
December 31, 2014	\$19,751	\$19,751	\$0	\$129,151	15.29%
December 31, 2015	\$16,452	\$16,452	\$0	\$119,658	13.75%
December 31, 2016	\$15,269	\$15,269	\$0	\$119,665	12.75%

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

OTHER SUPPLEMENTARY INFORMATION

PART III

**Schedule 4**

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, 2017

DEBRA COOPER, ADMINISTRATOR

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$72,662
Benefits-insurance	8,055
Benefits-retirement	9,265
Benefits-medicare	1,054
Travel - mileage	1,999
Lodging	650
Dues	765
Registration fees	900
Continuing Professional Education	239

RICHLAND PARISH SALES AND USE  
TAX COMMISSION  
Rayville, Louisiana  
SUPPLEMENTAL INFORMATION SCHEDULE  
For the Year Ended June 30, 2017

**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.

**Schedule 5**

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, 2017

**PERSONAL SERVICES**

Salaries	\$117,009
Medicare taxes	2,339
Retirement contributions	16,822
Group insurance contributions	16,782
Worker's compensation insurance	206
Total personal services	<u>153,158</u>

**OPERATING SERVICES**

Audit costs	6,443
Computer services	2,810
Dues and subscriptions	947
Insurance	638
Office building	1,556
Office expense	440
Repairs and maintenance - building, equipment and computer	899
Professional services	1,822
Postage and delivery	1,475
Telephone	3,477
Utilities	3,748
Total operating services	<u>24,255</u>

**MATERIALS AND SUPPLIES**

Building supplies	1,115
Office supplies	3,402
Total materials and supplies	<u>4,517</u>

**TRAVEL AND OTHER**

Travel	3,900
Seminars and training	2,262
Total travel and other	<u>6,162</u>
Total expenditures	<u>\$188,092</u>

RICHLAND PARISH SALES AND USE  
TAX COMMISSION  
Rayville, Louisiana  
SUPPLEMENTAL INFORMATION SCHEDULE  
For the Year Ended June 30, 2017

**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.

**Schedule 6**

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, 2017

<b>DEPOSIT BALANCE AT BEGINNING OF YEAR</b>	<u>\$3,079</u>
<b>ADDITION</b>	
Sales tax collections	<u>15,561,207</u>
Total additions	<u>15,561,207</u>
<b>DEDUCTIONS</b>	
Taxes distributed to others:	
Richland Parish School Board	6,399,890
Richland Parish Police Jury	4,735,696
Richland Parish Sheriff	1,578,461
Town of Delhi	1,202,045
Town of Rayville	1,525,095
Town of Mangham	90,174
Revenue Recovery	<u>31,134</u>
Total deductions	<u>15,562,495</u>
<b>DEPOSIT BALANCE AT END OF YEAR</b>	<u><u>\$1,791</u></u>

**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.

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

## MARY JO FINLEY, CPA, INC.

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Practice Limited to  
Governmental Accounting,  
Auditing and  
Financial Reporting

**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 *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 Richland Parish Sales and Use Tax Commission as of and for the year ended June 30, 2017 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 August 7, 2017.

**Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered Richland Parish Sales and Use Tax Commission's internal control over financial reporting 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.

RICHLAND PARISH SALES  
AND USE TAX COMMISSION  
Rayville, Louisiana

Independent Auditor's Report on Compliance  
And Internal Control Over Financial Reporting, etc.  
December 31, 2016

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.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Richland Parish Sales and Use Tax Commission's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, 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 is 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 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  
August 7, 2017

RICHLAND PARISH SALES AND  
USE TAX COMMISSION  
Rayville, Louisiana

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2017

**A. SUMMARY OF AUDIT RESULTS**

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

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

**Schedule 8**

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

**Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2017**

There were no findings reported in the audit report for the year ended June 30, 2016.

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, 2016 through June 30, 2017. 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**

**1. WRITTEN POLICIES AND PROCEDURES**

A. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

The sales tax commission gave me a policy and procedures manual to test against the agreed upon procedures.

B. Budgeting, including preparing, adopting, monitoring, and amending the budget.

The budgeting policy and procedure is in compliance with the agreed upon procedures guidelines.

- C. 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.

The purchasing policies and procedures appear to be mostly in compliance with the agreed upon procedures guidelines. The Sales Tax Commission does not use purchase orders or requisitions. The policy and procedures outlines any purchases requiring compliance with the bid law. There are not enough employees to segregate as much as wanted by the AUP guidelines.

- D. Disbursements, including processing, reviewing, and approving

The Sales Tax Commission has policies and procedures concerning disbursements for operating funds and disbursement of fiduciary funds. The tax commission does not have enough employees to adequately segregate all of the duties. The administrator is involved in all collection activities, prepares and signs all checks (along with a board member because all checks require 2 signatures) and reconciles all bank accounts. She does present financials to the board at their quarterly meetings, and they are welcome to review or ask questions at any time.

- E. Receipts, including receiving, recording, and preparing deposits

The sales tax commission does not have a written policy and procedures for receipts, recording and preparing documents. They have subsequently adopted a complete policy to cover all areas required by the AUP.

- F. Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

The Sales Tax Commission has some policies and procedures pertaining to payroll/personnel. It addresses several areas such as leave time, holiday time, and compensatory time. The administrator is responsible for tracking the leave time and other compensatory time. The administrator tracks time earned and used on an excel spreadsheet. This schedule is audited each year during the sales tax commission audit.

- G. Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

The Sales Tax Commission does not have written policies and procedures concerning contracting.

- H. 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

The Sales Tax Commissions does not have a written polices and procedures addressing credit cards since they do not have any credit cards.

I. Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

The sales tax commission has policies and procedures in place to cover the above categories.

J. 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. Note: Ethics requirements are not applicable to nonprofits.

The Sales Tax Commission does not have ethics policies and procedures in place at the time of testing. All employees are required to take the online ethics course.

K. Debt Service, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The Sales Tax Commission does not have written policies and procedures in place for debt service. The sales tax commission has no outstanding debt.

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

### ***Board (or Finance Committee, if applicable)***

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2. Obtain and review the board/committee minutes for the fiscal period, and:
  - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
    - 1) The sales tax commission meets on a quarterly basis.
  - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
    - 1) The administrator presents a budget to actual comparison to the board at every meeting, which are held quarterly.
      - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

- 1) The budget-to-actual comparisons show that management has no deficit spending during the test period.
- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.
  - 1) Other items besides financial information is discussed at the meetings. The board reviews expenditures made by the administrator.

## BANK RECONCILIATIONS

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

The agency provided me with a certified list of all bank accounts.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

The agency had a total of 4 bank accounts, so a random sample of 4 bank accounts were selected to test the following:

- A) Bank reconciliations have been prepared;

For the 4 bank accounts selected above, all were reconciled each month for the period tested.

- B) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation;

For the 4 bank accounts selected above, it was determined that the bank reconciliations are performed by the Administrator.

C) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

For the 4 bank accounts selected above, 3 of the 4 accounts had no outstanding reconciling items over six months. One accounts had outstanding checks over 6 months old.

## COLLECTIONS

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

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

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.  
*Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

The agency has 1 collection location. It was selected for testing for the following:

A) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

The sales tax commission's office has a government crime policy that covers employee theft. The agency has 1 cash register. The only 2 employees employed at the tax commission work out of the cash register. Each employee takes any cash collected during the day to be deposited that day. All collection payments are

posted to sales tax collection software when the employees run a batch. Batches are not always run on a daily basis. At the end of the month the administrator reconciles the batches and deposits and enters them into the Quickbooks software program.

B) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

The cash register is reconciled and deposits are not made on a daily basis. If cash is received it is deposited daily. The deposit is made by one of the 2 employees, the administrator reconciles the cash register. The collections are posted to the accounting system when collected. The deposits are posted by the administrator to the quickbooks accounting system twice a month at the time of disbursements.

C) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

The agency provided a certified list of the highest (dollar) week of cash collections for each collection location. We verified the highest week was July 17, 2016 thru July 23, 2016, which was tested for the following:

- ▶ Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
- ▶ The 3 funds were tested for deposits of collections. For the week tested, none of the 3 funds made daily deposits.
- ▶ Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

The 3 funds were tested for deposits of collections. All collections for the week tested had proper documentation.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

The agency has no written policies or procedures to determine completeness of collections or revenue sources.

#### **DISBURSEMENTS-GENERAL (EXCLUDING CREDIT CARD/DEBIT CARD/P-CARD PURCHASES OR PAYMENTS)**

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Agency provided a complete year to date general ledger for every fund and represented that the general ledgers were complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- A) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

The Sales Tax Commission does not use a purchase order system. The board has ultimate approval on all purchases.

B) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

The Sales Tax Commission does not use a purchase order system. The board has ultimate approval on all purchases.

C) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Of the disbursements selected to be tested, all were processed with all of the required support. The Sales Tax Commission does not use purchase orders or requisitions.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

Richland Parish Sales Tax Commission uses Quickbooks software which does not allow them to restrict any user from adding vendors.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

The Administrator prepares checks, signs all checks, along with a board member (2 signatures are required on all checks) and reconciles all of the bank accounts. The board has ultimate approval on all purchases.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those person that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

The unused checks are stored in a secure location, but are not restricted to the employees with signatory authority.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

The Richland Parish Sales Tax Commission's office does not use a signature check stamp.

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

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

The sales tax commission has no active credit cards, fuel cards, etc.

15. Using the listing prepared by management, randomly select 10 cards, (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

From the list in #14, no cards (tax commission has no cards) were randomly selected to test the following:

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- A) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval

may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

The sales tax commission has no credit or debit cards.

B) Report whether finance charges and/or late fees were assessed on the selected statements.

The sales tax commission has no credit or debit cards, so therefore no service charges or interest charges noted.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for the card selected (i.e. each of the cards should have one month of transactions subject to testing).

A) For each transaction, report whether the transaction is supported by:

- ▶ An original itemized receipt (i.e., identifies precisely what was purchased)

Sales tax commission does not have a credit or debit card.

- ▶ Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

Sales tax commission does not have a credit or debit card.

- ▶ Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

Sales tax commission does not have a credit or debit card.

B) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

The sales tax commission has no credit or debit cards.

C) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

The sales tax commission has no credit or debit cards.

## **TRAVEL AND EXPENSE REIMBURSEMENT**

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

The agency provided me with a certified list of employees who received travel or related expense reimbursements during the testing period.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.

Agency has written policy and procedures for travel. The 2 employees that were paid for travel or related expenses during the test period were tested against the written policies and procedures - no exceptions noted.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expense selected:

The only 2 employees with the most travel costs during the test period were selected and tested for the following:

The Richland Sales Tax Commission travel costs were tested against the written policies and procedures - no exceptions noted.

A) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

The agency has written policies or procedures for travel and the only 2 employees that received any reimbursements for travel and related were tested against the policy - no exceptions noted.

B) Report whether each expense is supported by:

- ▶ An original itemized receipt that identifies precisely what was purchased.  
[Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

The only 2 employees that received any travel and related reimbursements during the test period were tested against the travel and related policies - no exceptions noted.

- ▶ Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

The only 2 employees that received any travel and related reimbursements during the test period were tested against the agency policies and procedures - no exceptions noted.

- ▶ Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

No other documentation is required by the agency for travel reimbursements.

C) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which

prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No violations of Article 7 Section 14 were noted during testing.

D) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

All employees that received any travel or related expense reimbursements during the test period were approved by the administrator, the mayor or the board.

## CONTRACTS

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Agency provided a certified list of all contracts in effect during the test period.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices:

The 1 (only) contract that was paid the most money was selected from the list of contracts from #20 and tested for the following:

A) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

Agency has a formal/written contract for all selected to be tested.

B) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- ▶ If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
- ▶ If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

For the contracts tested, none of them required compliance with the public bid law. The agency did solicit quotes to get the best deal for the sales tax commission's office.

C) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

The contract selected was not amended.

D) Select the largest payment from each of the five contracts, obtain the supporting invoices, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

The contract payments that were tested were in compliance with the contract terms and conditions.

E) Obtain/review contract documentation and board minutes and report whether there is a documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

This is not applicable to the Sales Tax Commission.

## **PAYROLL AND PERSONNEL**

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

Agency provided a certified list of all employees with their authorized salaries. Two employees were selected to test the following:

- A) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

The 2 (only) employees of the sales tax commission chosen to be tested were paid in accordance with the terms and conditions of their employment.

- B) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

All changes to the salaries of the 2 employees chosen were approved by the board in writing.

- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- A) Report whether all selected employees/official documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Of the 2 employees selected, both employees that are eligible to earn leave time documented their daily attendance. The agency tracks leave time earned and used, to make sure no excess leave time is taken. This schedule is tested each year when the sales tax commission is audited.

- B) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Of the 2 employees that were selected, the administrator or board approved the employees attendance and leave time.

C) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

The agency prepares an annual schedule of leave time earned and used and tracks it manually on an excel spreadsheet.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

There was one employee terminated during the test period. She was not paid for any excess time that she had not earned.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

During testing of the agency it was determined that the Richland Parish Sales Tax Commission's office is submitting payroll tax, retirement contributions and required forms by the required deadlines.

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

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Agency provided support for ethics training for the 2 randomly selected employees above, the only employees the tax commission has.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

There were no ethics violations reported to the Sales Tax Commission's office during the test period.

#### **DEBT SERVICE (EXCLUDING NONPROFIT)**

The Sales Tax Commission has no debt outstanding, therefore this section is not applicable.

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

The Richland Parish Sales Tax Commission had no debt outstanding during the test period that required bond commission approval.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

The Richland Parish Sales Tax Commission has no debt outstanding during the test period.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

The Richland Parish Sales Tax Commission has no debt outstanding, therefore, this does not apply.

## OTHER

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

The sales tax commission's office has no known misappropriation of funds during the test period.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at [www.lla.la.gov/hotline](http://www.lla.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

I observed the fraud hotline notice posted on the premises and a link to the notice was posted on the website.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

There were no other exceptions noted during procedures.

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

December 16, 2017

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**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, 2017

Written Policies and Procedures

1. A. No response needed.
- B. No response needed.
- 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. 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. The Richland Parish Tax Commission has written policies and procedures, however, we did not have a written policy for receipts, recording and preparing documents related to deposits. This policy will be written for the next reporting period.
- F. No response needed.
- G. The Richland Parish Tax Commission has written policies and procedures, however, we did not have a written policy for contracting. This policy will be written for the next reporting period.
- H. The Richland Parish Tax Commission has written policies and procedures, however, we did not have a written policy for addressing credit cards. The Richland Parish Tax Commission does not have credit cards, but if in the future we decide to have them, a written policy and procedure will be written for the use of them.

1. I. No response needed.
- J. The Richland Parish Tax Commission has written policies and procedures, however, we did not have a written policy for ethics. This policy will be written for the next reporting period.
- K. The Richland Parish Tax Commission has written policies and procedures, however, we did not have a written policy for debt service. The Richland Parish Tax Commission does not have any outstanding debt, but if in the future we decide to obtain debt, a written policy and procedure will be written to address the guidelines to do so.

#### Board

2. No response needed.

#### Bank Reconciliations

3. No response needed.
4. A. No response needed.
  - B. The bank statements and reconciliations are available for the Commission to review at any time.
  - C. A review of the outstanding checks over six months old will be completed and the items will be cleared by next reporting period.

#### Collections

5. No response needed.
6. 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. Non-cash deposits during slow weeks are made on a weekly basis. All cash received at anytime is deposited daily.
7. The Richland Parish Tax Commission has written policies and procedures, however, we did not have a written policy for collections. This policy will be written for the next reporting period.

Disbursements

8. No response needed.
9. 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. However, all disbursements are approved by the Commission and all checks have dual signatures.  
C. No Response needed.
10. Quickbooks does not allow restriction of adding vendors.
11. 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.
12. 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.
13. No response needed.

Credit Cards

14. No response needed.
15. No response needed.
16. No response needed.

Travel and Expense Reimbursement

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

Contracts

20. No response needed.
21. No response needed.

Payroll and Personnel

- 22. No response needed.
- 23. No response needed.
- 24. No response needed.
- 25. No response needed.

Ethics

- 26. No response needed.
- 27. No response needed.

Debt Service

- 28. No response needed.
- 29. No response needed.
- 30. No response needed.

Other

- 31. No response needed.
- 32. No response needed.
- 33. No response needed.



Harry Lewis, Mayor of Rayville

Chairman of the Richland Parish Tax Commission

December 16, 2017