

RICHLAND PARISH SALES AND USE TAX COMMISSION  
Rayville, Louisiana

*Financial Statements*  
*For the Year Ended June 30, 2023*

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

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

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INDEPENDENT AUDITOR'S REPORT

Richland Parish Sales and Use Tax Commission  
Rayville, Louisiana

*Report on the Audit of the Financial Statements*

*Opinions*

We have audited the accompanying financial statements of the governmental activities of the Richland Parish Sales and Use Tax Commission, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Richland Parish Sales and Use Tax Commission, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Richland Parish Sales and Use Tax Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

*Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Richland Parish Sales and Use Tax Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Richland Parish Sales and Use Tax Commission  
Rayville, Louisiana

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Richland Parish Sales and Use Tax Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information 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.

Richland Parish Sales and Use Tax Commission  
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We 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 we obtained during the audit of the basic financial statements. We 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 assurances.

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

***Other Information***

The combining nonmajor fund financial statements, Schedule of Compensation, Benefits and Other Payments to Agency Head is 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. 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 our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2024 on our consideration of the Richland Parish Sales and Use Tax Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Richland Parish Sales and Use Tax Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Richland Parish Sales and Use Tax Commission's internal control over financial reporting and compliance.

*David M. Aard, CPA (APAC)*

West Monroe, Louisiana  
October 2, 2024

BASIC FINANCIAL STATEMENTS

RICHLAND PARISH SALES AND USE TAX COMMISSION  
Rayville, Louisiana

STATEMENT OF NET POSITION  
JUNE 30, 2023

	Governmental Activities
<i><u>Assets</u></i>	
Cash and Cash Equivalents	\$ 6,278
Accounts Receivable	12,711
Due From Sales Tax Collection Fund	8,978
Capital Assets:	
Depreciable	29,369
Total Assets	57,336
<i><u>Deferred Outflows of Resources</u></i>	
Resources Related to Pensions	74,310
Prepaid Expenses	4,255
Total Deferred Outflows of Resources	78,565
<i><u>Liabilities</u></i>	
Accounts Payable	1,552
Compensated Absences	8,778
Net Pension Liability	60,992
Total Liabilities	71,322
<i><u>Deferred Inflows of Resources</u></i>	
Resources Related to Pensions and OPEB	8,170
<i><u>Net Position</u></i>	
Net Investment in Capital Assets	29,369
Net Position - Unrestricted	27,040
Total Net Position	\$ 56,409

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



RICHLAND PARISH SALES AND USE TAX COMMISSION  
Rayville, Louisiana

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities:					
Finance & Administration	\$ 183,355	\$ 152,529	\$ -	\$ -	\$ (30,826)
			General Revenues:		
			Interest Earnings		14
			Total General Revenues		14
			Changes in Net Position		(30,812)
			Net Position - Beginning		87,221
			NET POSITION - ENDING		\$ 56,409

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

RICHLAND PARISH SALES AND USE TAX COMMISSION  
Rayville, Louisiana

BALANCE SHEET, GOVERNMENTAL FUND  
JUNE 30, 2023

	<u>General Fund</u>
<u>Assets</u>	
Cash and Cash Equivalents	\$ 6,278
Accounts Receivable	12,711
Due From Sales Tax Collection Fund	8,978
Prepaid Expenses	4,255
<u>Total Assets</u>	\$ 32,222
<u>LIABILITIES AND FUND BALANCE</u>	
<u>Liabilities</u>	
Accounts Payable	1,552
<u>Total Liabilities</u>	1,552
<u>Fund Balance</u>	
Unassigned	30,670
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	\$ 32,222

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

RICHLAND PARISH SALES AND USE TAX COMMISSION  
Rayville, Louisiana

BALANCE SHEET, GOVERNMENTAL FUND  
JUNE 30, 2023

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

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

Fund Balance, Governmental Funds:	\$ 30,670
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	29,369
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(8,778)
Net pension asset does not require the use of current financial resources and therefore is not reported in the funds.	(60,992)
The net effect of deferred outflows of resources and deferred inflows of resources related to pensions do not require the use of current financial resources and therefore are not reported in the funds.	<u>66,140</u>
Net Position of Governmental Activities	<u><u>\$ 56,409</u></u>

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

RICHLAND PARISH SALES AND USE TAX COMMISSION  
Rayville, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023

	<u>General Fund</u>
<u>Operating Revenue</u>	
Fees, Charges, and Commissions for Services	\$ 152,529
Use of Money and Property - Interest Earnings	14
Total Operating Revenue	152,543
 <u>Operating Expenditures</u>	
Current:	
General Government	
Personnel Services	139,435
Operating Services	38,556
Materials and Supplies	4,456
Travel and Other Charges	1,666
Total Operating Expenditures	184,113
 <u>Excess (Deficiency) of Revenues Over</u>	
<u>Expenditures</u>	(31,570)
 <u>Fund Balance - Beginning of the Year</u>	62,240
 <u>FUND BALANCE - END OF THE YEAR</u>	\$ 30,670

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

RICHLAND PARISH SALES AND USE TAX COMMISSION  
Rayville, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023

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

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

Net change in fund balances - total governmental funds		\$ (31,570)
Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Expenditures for capital assets	6,745	
Less current year depreciation	<u>(4,263)</u>	
		2,482
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds		
		(2,352)
Governmental funds report current year pension contributions as expenditures. However, in the statement of activities, these contributions are reported as deferred inflows of resources and the District's proportionate share of the plans pension expense is reported as pension expense.		
		(849)
The District's proportionate share of non-employer contributions to the pension plans do not provide current financial resources and are not reported in the governmental funds.		
		<u>1,477</u>
Changes in net position of governmental activities		<u>\$ (30,812)</u>

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

RICHLAND PARISH SALES AND USE TAX COMMISSIONRayville, LouisianaSTATEMENT OF FIDUCIARY ASSETS AND LIABILITIESJUNE 30, 2023ASSETS

Cash and Cash Equivalents

\$ 419,269

TOTAL ASSETS

419,269LIABILITIES

Deposits Due Others

419,269

TOTAL LIABILITIES

\$ 419,269

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

RICHLAND PARISH SALES AND USE TAX COMMISSION  
Rayville, Louisiana

FIDUCIARY FUND TYPE - AGENCY FUND  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Sales Tax Collection Fund</u>
<b><u>Unsettled Deposits at</u></b>	
<b><u>Beginning of the Year</u></b>	\$ 46,019
<b>Additions</b>	
Collections for Others	20,306,351
Interest Earned on Investments	-
Total Additions	20,306,351
Total	20,352,370
<b>Reductions</b>	
Distributions To:	
Richland Parish School Board	8,218,864
Richland Parish Police Jury	6,164,357
Richland Parish Sheriff's Office	2,054,654
Town of Rayville	1,982,493
Town of Mangham	126,360
Town of Delhi	1,321,551
Revenue Recovery Group	64,822
Total Reductions	19,933,101
<b><u>UNSETTLED DEPOSITS AT</u></b>	
<b><u>END OF THE YEAR</u></b>	\$ 419,269

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

RICHLAND PARISH SALES AND USE TAX COMMISSION  
Rayville, Louisiana  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

## INTRODUCTION

As provided by Article VII, Section 3 of the Louisiana Constitution of 1974, the Richland Parish Sales and Use Tax Commission serves as the collector of sales and use taxes for the Parish. The Richland Parish Sales and Use Tax Commission was established by joint agreement for the collection of sales and use taxes and other fees on April 14, 1992. The Commission is comprised of 9 members, Chief Administrative Officer of the Town of Rayville or designee, Chief Administrative Officer of Town of Delhi or designee, Chief Administrative Office of the Town of Mangham or designee, Commission of the Town of Rayville, President of Richland Parish Police Jury or designee, Secretary of Richland Parish Police Jury, Superintendent of Richland Parish School Board or designee, President of Richland Parish School Board or designee and Richland Parish Sheriff or designee. The Commissioners serve for indefinite terms and without benefit of compensation.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

**B. REPORTING ENTITY** GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The Richland Parish Sales and Use Tax Commission was created as a political subdivision of the State under the provisions of Article VII, Section 3, of the Louisiana Constitution of 1974. Commission board members are appointed by taxing authorities imposing sales taxes within the Parish and are solely accountable for fiscal matters, which include fiscal management for controlling the collection and disbursement of funds. Additionally, the Commission is the collector for all sales and use taxes within the Parish. Based on the above, the Commission was determined to be a separate government reporting entity. The Commission includes all funds, account groups, activities, etc. that are within the primary responsibility of the Commission. Certain units of local government over which the Commission exercises no primary responsibility, such as the Richland Parish Police Jury, School Board, Assessor, Commission of Court, and municipalities with the Parish, are excluded from the accompanying financial statements. These units of local government are governed by independently elected officials. They are neither controllable by nor answerable to the Richland Parish Sales and Use Tax Commission. Further, their operations do not require approval of the Commission nor is the Commission legally or morally responsible for their actions. They are considered separate from those of the Richland Parish Sales and Use Tax Commission.

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

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

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



RICHLAND PARISH SALES AND USE TAX COMMISSION  
Rayville, Louisiana  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*General Fund* – The General Fund, as provided by Louisiana Revised Statute 13:781 is the principal fund of the Commission and is used to account for the operations of the Commission. The Commission’s primary source of revenue is fees for the collection of sales and use taxes. General operating expenditures are paid from this fund.

***Fiduciary Funds*** The Sales Tax Collection Agency Fund is used to account for the collection and distribution of sales and use taxes imposed by the various taxing authorities within the Parish. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

**D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING**

*Government- Wide Financial Statements*

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

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

*Fund Financial Statements (FFS)*

The amounts reflected in the Governmental fund statements are accounted for using a current financial resources measurement focus and a modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

The Commission considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

RICHLAND PARISH SALES AND USE TAX COMMISSION  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

**D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (CONTINUED)**

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

*Revenues*

Fees for the collection of sales and use taxes are recorded when the Commission is entitled to the funds which is normally the same month the taxes are collected. Interest income on demand deposits is recorded monthly when the interest is earned and credited to the account. Based on the above criteria, fees, charges and commissions for services are treated as susceptible to accrual.

*Expenditures*

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

**E. BUDGETS** The Commission uses the following budget practices:

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

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

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

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

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

RICHLAND PARISH SALES AND USE TAX COMMISSION

Rayville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

**H. ANNUAL AND SICK LEAVE** All employees of the Commission’s office earn from 10 to 15 days of vacation leave each year, depending on length of service. Unearned vacation leave may be carried forward to the succeeding year up to a maximum of 10 days and is paid to employees upon separation from service. All employees of the Commission’s office earn one day of sick leave per month. All employees receive one day of sick leave per month. Unused sick leave may be carried forward to the succeeding year up to a maximum of 20 days and is paid to employees upon separation from service. At June 30, 2023, employees of the Commission have accumulated \$8,778 of employee leave benefits, computed in accordance with GASB Codification Section C60.

**I. RISK MANAGEMENT** The Commission is exposed to various risk of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions, and injuries to employees. To handle such risk of loss, the Commission maintains commercial insurance policies covering professional liability and surety bond coverage. In addition to the above policies, the Commission also maintains an errors and omissions claims paid policy with the Louisiana Commissions of Court Risk Management Agency. No claims were paid on any of the policies during the past three years which exceeded the policies’ coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2023.

**J. EQUITY CLASSIFICATIONS GOVERNMENT-WIDE STATEMENTS** Equity is classified as net position and displayed in three components:

- A. Net investments in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- B. Restricted net position – Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations or other governments or, 2) law through constitutional provisions or enabling legislation. There was no restricted net position.
- C. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

**K. FUND BALANCE OF FUND FINANCIAL STATEMENTS**

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

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

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

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

RICHLAND PARISH SALES AND USE TAX COMMISSION  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

**K. FUND BALANCE OF FUND FINANCIAL STATEMENTS (CONTINUED)**

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

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

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

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

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

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

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

For purposes measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems and additions to/deductions from the retirements systems fiduciary net position have been determined on the same basis as they are reported by the retirement systems.

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

RICHLAND PARISH SALES AND USE TAX COMMISSION  
Rayville, Louisiana  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 2 – CASH AND CASH EQUIVALENTS**

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

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

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

**Custodial Credit Risk:** At year-end the Commission’s carrying amount of deposits was \$425,547 and the bank balance was \$421,126, which all federally insured by FDIC insurance of \$250,000 and pledged securities of \$2,196,308.

The Commission’s policy does not address custodial credit risk. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Commission that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE 3 – RECEIVABLES**

Accounts receivable at June 30, 2023 was \$12,711 which was for June 2023 collection fees.

**NOTE 4 – CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended June 30, 2023, is as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u>
Governmental Activities:				
Furniture & Equipment	\$ 118,881	\$ 6,745	\$ -	\$ 125,626
Less Accumulated Depreciation				
Furniture & Equipment	<u>( 91,994)</u>	<u>( 4,263)</u>	<u>-</u>	<u>( 96,257)</u>
Capital Assets, Net	<u>\$ 26,887</u>	<u>\$ 2,482</u>	<u>\$ -</u>	<u>\$ 29,369</u>

Depreciation expense of \$2,482 was charged to expense.

RICHLAND PARISH SALES AND USE TAX COMMISSION  
Rayville, Louisiana  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 5 – PENSION PLAN**

**Retirement Systems**

**Parochial Employees' Retirement System of Louisiana (System)**

*Plan Description*

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

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

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

1. Any age with thirty (30) 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.

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

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 3% of the employee'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 also provides death and disability benefits. Benefits are established or amended by state statute.

For the year ended June 30, 2023, the Richland Parish Tax Commission's total payroll for all employees was \$103,938. Total covered payroll was \$103,938. Covered payroll refers to all compensation paid by the Richland Parish Tax Commission to active employees covered by the Plan.

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

RICHLAND PARISH SALES AND USE TAX COMMISSION  
Rayville, Louisiana  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 5 – PENSION PLAN (continued)**

*Contributions*

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2023, the actual employer contribution rate was 11.50% for Plan A, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Richland Parish Tax Commission's contributions to the System under Plan A for the year ending June 30, 2023 were \$12,061. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations.

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

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

At June 30, 2023, the Employer reported a liability of \$60,992 for its proportionate share of the Net Pension Liability/Asset. The Net Pension Liability/Asset was measured as of December 31, 2022 and the total pension liability/asset used to calculate the Net Pension Liability/Asset was determined by an actuarial valuation as of that date. The Richland Parish Tax Commission's proportion of the Net Pension Liability/Asset was based on a projection of the Richland Parish Tax Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2022, the Richland Parish Tax Commission's proportion was 0.015847%, which was an increase of 0.001130% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the Richland Parish Tax Commission recognized pension expense of \$26,048 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was (\$25,199). Total pension expense for the Richland Parish Tax Commission for the year ended June 30, 2023 was \$849.

RICHLAND PARISH SALES AND USE TAX COMMISSION

Rayville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 5 – PENSION PLAN (continued)**

At June 30, 2023, the Richland Parish Tax Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	2,255	6,720
Changes in assumption	1,946	-
Net difference between projected and actual earnings on pension plan investments	64,388	-
Changes in employer's portion of beginning net pension liability	-	1,432
Differences between employer contributions and proportionate share of employer contributions	-	18
Subsequent measurement contributions	5,721	-
<b>Total</b>	<b>74,310</b>	<b>8,170</b>

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

Year ended June 30,	
2023	1,078
2023	10,156
2024	20,322
2025	28,862

*Actuarial Assumptions*

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2022, are as follows:

Valuation Date	December 31, 2022
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.40%, net of investment expense, including inflation
Expected remaining service lives	4 years
Projected salary increases	4.75%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Mortality rates	Pub-2010 Public Retirement Plans Mortality Table



RICHLAND PARISH SALES AND USE TAX COMMISSION

Rayville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.
Inflation Rate	2.30%

The discount rate used to measure the total pension liability was 6.40% for Plan A. 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). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.10% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.70% for the year ended December 31, 2022.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	33%	1.17%
Equity	51%	3.58%
Alternatives	14%	0.73%
Real Assets	2%	0.12%
Totals	100%	5.60%
Inflation		2.10%
Expected arithmetic nominal return		7.70%

RICHLAND PARISH SALES AND USE TAX COMMISSION  
Rayville, Louisiana  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 5 – PENSION PLAN (continued)**

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

The following presents the Richland Parish Tax Commission’s proportionate share of the net pension liability calculated using the discount rate of 6.40%, as well as what the Richland Parish Tax Commission’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.40%) or one percentage-point higher (7.40%) than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Employer’s proportionate share of net pension liability	150,835	60,992	(14,330)

*Payables to the Pension Plan*

These financial statements include a payable to the pension plan of \$0, which is the legally required contribution due at June 30, 2023. This amount is recorded in accrued expenses.

*Plan Fiduciary Net Position*

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

**NOTE 6 – LITIGATION AND CLAIMS**

The Richland Parish Sales and Use Tax Commission is not involved in any litigation at June 30, 2023, nor are they aware of any unasserted claims.

**NOTE 7 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through October 2, 2024, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

RICHLAND PARISH SALES AND USE TAX COMMISSION  
Rayville, Louisiana  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 8 – COLLECTIONS FOR OTHERS**

The following is a schedule for collections for others:

	<u>Total Collections</u>	<u>Collections Costs</u>	<u>Final Distribution</u>
Richland Parish School Board	\$ 8,218,864	\$ 63,102	\$ 8,155,762
Richland Parish Police Jury	6,164,357	47,328	6,117,029
Richland Parish Sheriff	2,054,654	15,775	2,038,879
Town of Delhi	1,321,551	10,109	1,311,442
Town of Rayville	1,982,493	15,245	1,967,248
Town of Mangham	<u>126,360</u>	<u>970</u>	<u>125,390</u>
Totals	<u>\$ 19,868,279</u>	<u>\$ 152,529</u>	<u>\$19,715,750</u>

The difference of \$64,822 was remitted to the sales tax audits for revenue recovery.

REQUIRED SUPPLEMENTARY INFORMATION

RICHLAND PARISH SALES AND USE TAX COMMISSION  
Rayville, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Final Budget</u> <u>Over(Under)</u>
<u>Operating Revenue</u>				
Fees, Charges and Commissions for Services	152,530	152,530	\$ 152,529	\$ (1)
Use of Money and Property - Interest Earnings	-	-	14	14
Total Operating Revenues	<u>\$ 152,530</u>	<u>\$ 152,530</u>	<u>\$ 152,543</u>	<u>\$ 13</u>
<u>Operating Expenditures</u>				
General Government				
Personnel Services	117,100	117,100	139,435	(22,335)
Contractual Charges	51,830	51,830	38,556	13,274
Materials and Supplies	3,500	3,500	4,456	(956)
Travel and Other Charges	5,100	5,100	1,666	3,434
Total Expenditures	<u>177,530</u>	<u>177,530</u>	<u>184,113</u>	<u>(6,583)</u>
<u>Excess (Deficiency) of Revenues Over</u>				
<u>Expenditures</u>	(25,000)	(25,000)	(31,570)	(6,570)
<u>Fund Balance - Beginning of the Year</u>				
	62,240	62,240	62,240	-
<u>FUND BALANCE - END OF THE YEAR</u>	<u>\$ 37,240</u>	<u>\$ 37,240</u>	<u>\$ 30,670</u>	<u>\$ (6,570)</u>

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

RICHLAND PARISH SALES AND USE TAX COMMISSION  
Rayville, Louisiana

SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY  
FOR THE YEAR ENDED JUNE 30, 2023

Fiscal Year	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2014	0.021097%	\$ 5,768	\$ -	0%	99.15%
2015	0.021042%	\$ 55,389	\$ -	0%	92.23%
2016	0.020574%	\$ 42,372	\$ 96,663	43.83%	94.15%
2017	0.020720%	\$ (15,379)	\$ -	0%	101.98%
2018	0.019882%	\$ 88,243	\$ -	0%	88.86%
2019	0.016569%	\$ 780	\$ -	0%	99.89%
2020	0.014819%	\$ (25,984)	\$ 98,979	-26.25%	104.00%
2021	0.014717%	\$ (69,323)	\$ 103,185	-67.18%	110.46%
2022	0.015847%	\$ 60,992	\$ 107,507	56.73%	91.74%

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

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FOR THE YEAR ENDED JUNE 30, 2023

Fiscal Year	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency	Agency's covered payroll	Contributions as a percentage of covered payroll
2015	\$ -	\$ -	\$ -	\$ -	0.00%
2016	\$ -	\$ -	\$ -	\$ 96,663	0.00%
2017	\$ -	\$ -	\$ -	\$ -	0.00%
2018	\$ -	\$ -	\$ -	\$ -	0.00%
2019	\$ 5,703	\$ 5,703	\$ -	\$ -	0.00%
2020	\$ 11,858	\$ 11,858	\$ -	\$ 99,838	11.88%
2021	\$ 11,841	\$ 11,841	\$ -	\$ 96,663	12.25%
2022	\$ 12,247	\$ 12,247	\$ -	\$ 103,185	11.87%
2023	\$ 12,061	\$ 12,061	\$ -	\$ 104,878	11.50%

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

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

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

RICHLAND PARISH SALES AND USE TAX COMMISSION  
Rayville, Louisiana

SCHEDULE OF EXPENDITURES BY CHARACTER  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023

<u>Personal Services</u>	
Salaries	\$ 103,938
Medicare Taxes	2,134
Retirement Contributions	11,905
Group Insurance Contributions	21,458
Worker's Compensation Insurance	-
Total Personal Services	<u>139,435</u>
<u>Operating Services</u>	
Audit Costs	9,500
Clerk	55
Computer Services	485
Dues and Subscriptions	3,348
Insurance	500
Office Building	2,016
Office Expense	2,616
Repairs and Maintenance	1,940
Professional Services	6,265
Postage and Delivery	4,738
Telephone	2,443
Utilities	4,650
Total Operating Services	<u>38,556</u>
<u>Materials and Supplies</u>	
Capital Outlay	750
Building Supplies	306
Office Supplies	3,400
Total Materials and Supplies	<u>4,456</u>
<u>Travel and Other</u>	
Travel	866
Seminars	800
Total Travel and Other	<u>1,666</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 184,113</u>

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

RICHLAND PARISH SALES AND USE TAX COMMISSION  
Rayville, Louisiana  
NOTES TO THE BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2023

A proposed budget, prepared on the modified accrual basis of accounting, is prepared by the Administrator of the Richland Parish Tax Commissioners and amended during the year, as necessary. If agreement is not reached in adopting the proposed budget by June 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 reappropriated for the following year to be expended.

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



SUPPLEMENTAL INFORMATION

RICHLAND PARISH SALES AND USE TAX COMMISSION  
Rayville, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD  
OR CHIEF EXECUTIVE OFFICER  
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Agency Head</u> <u>Jonathan Knight</u>
Purpose	
Salary	\$ 61,162
Benefits - Insurance	10,237
Benefits - Retirement	12,844
Travel	193
Office Supplies	4,425
Total	<u>\$ 88,861</u>

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

**Independent Auditor's Report on Internal Control Over Financial  
Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

Richland Parish Sales and  
Use Tax Commission  
Rayville, Louisiana

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Richland Parish Sales and Use Tax Commission (Commission), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated October 2, 2024.

**Report on Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-01, 2023-02, 2023-04 and 2023-05 that we consider to be significant deficiencies.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2023-03 that we consider to be a significant deficiency.

### **Richland Parish Sales and Use Tax Commission's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Richland Parish Sales and Use Tax Commission's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Richland Parish Sales and Use Tax Commission's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

*David M. Aard, CPA (APAC)*

West Monroe, Louisiana  
October 2, 2024

RICHLAND PARISH SALES AND USE TAX COMMISSION  
Rayville, Louisiana  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023

Richland Parish Sales and  
Use Tax Commission  
Rayville, Louisiana

We have audited the financial statements of Richland Parish Sales and Use Tax Commission as of and for the year ended June 30, 2023, and have issued our report thereon dated October 2, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2023, resulted in an unqualified opinion.

Section I- Summary of Auditor's Results

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

Internal Control

Material Weakness  yes  no  
Significant Deficiencies not considered to be  
Material Weaknesses  yes  no

Compliance

Compliance Material to Financial Statements  yes  no

B. Federal Awards – N/A

Material Weakness Identified  yes  no  
Significant Deficiencies not considered to be  
Material Weaknesses  yes  no

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

Unqualified  Qualified   
Disclaimer  Adverse

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

C. Identification of Major Programs: N/A

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

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

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

RICHLAND PARISH SALES AND USE TAX COMMISSION  
Rayville, Louisiana  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023

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

**2023-01 Inadequate Segregation of Duties**

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

Condition: All accounting duties are performed by one employee.

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

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

Recommendation: None

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

**2023-02 No Board Meetings Held During the Year**

Criteria: The Board members are required to meet quarterly during the year to discuss financial and other issues related to the Sales and Use Tax Commission.

Condition: No official Board meetings were held in any of the four quarters during this fiscal year.

Cause: The meetings were not called by the former Administrator during the year.

Effect: Issues related to the operation of the Sales and Use Tax Commission were not discussed and decisions were not approved.

Recommendation: Official Board meetings should be held at least quarterly so Tax Commission business can be discussed and voted on.

Management's Response: The Commission will have regularly scheduled quarterly meetings.

RICHLAND PARISH SALES AND USE TAX COMMISSION  
Rayville, Louisiana  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023

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

**2023-03 Financial Statements Issued After Due Date**

Condition: The review report was submitted after the statutory due date.

Criteria: LSA-R.S.24.513 states that all engagements must be completed and transmitted to the Legislative Auditor within six months of the close of the auditee fiscal year.

Cause: The financial records were not complete and unable to be audited timely.

Effect: When an entity is late filing its report, the entity is placed on the LLA's noncompliance list. Being placed on the list results in an entity receiving no funds from the State until the entity is removed from the list. Management cannot work in a timely manner to resolve internal control deficiencies and noncompliance with laws, regulations, contracts, and grants identified by the auditor.

Recommendation: None

Management's Response: Management will ensure that the report is submitted by the statutory due date.

**2023-04 Bank Accounts not Reconciled Timely**

Condition: During the year, each of the five bank accounts were not reconciled to the general ledger timely. In some cases were months behind.

Criteria: One of the best practices performed is the timely reconciliation of all bank accounts to the general ledger.

Cause: The former Administrator did not reconcile the bank accounts in a timely manner.

Effect: By not reconciling the bank statements timely, management cannot make timely decisions involving payments to vendors or budget to actual line items because the cash is not reported correctly.

Recommendation: All of the bank statements should be reconciled to the general ledger within two months (or sooner) of the date of the bank statements.

Management's Response: All bank statements will be reconciled in a timely manner.



RICHLAND PARISH SALES AND USE TAX COMMISSION  
Rayville, Louisiana  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023

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

**2023-05 Sick and Annual Leave not Reconciled During the Year**

Condition: The records for the sick and annual leave were not adjusted during the year for leave taken.

Criteria: Records must be reconciled timely with leave days taken by employees.

Cause: The former Administrator did not reconcile the leave records with days taken by employees during the year.

Effect: By not reconciling the leave records, amounts owed to employees cannot be determined accurately nor can an accurate leave liability be recorded on the government-wide financial statements.

Recommendation: Leave and attendance records should be updated at least monthly to accurately show amounts owed at any given time during the year.

Management's Response: All leave and attendance records will be updated in a timely manner to show accurate amounts owed at all times.

Section II - Financial Statement Findings

No findings were reported under this section.

Section III - Management Letter

No management letter was issued.

RICHLAND PARISH SALES AND USE TAX COMMISSION  
Rayville, Louisiana  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2023

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

2022-01 **Inadequate Segregation of Duties**

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

Recommendation: No action is recommended

Finding Status: Unresolved, see finding 2023-01 in current year findings.

Section II - Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III - Management Letter

This section is not applicable for this entity.

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Richland Parish Sales and Use Tax Commission and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by the Richland Parish Sales and Use Tax Commission (the Entity) and the Louisiana Legislative Auditor (LLA), on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. The Entity's management is responsible for those C/C areas identified in the SAUPs.

Richland Parish Sales and Use Tax Commission has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and related exceptions obtained are described in the attachment to this report.

I was engaged by the Richland Parish Sales and Use Tax Commission to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. I was not engaged to and did not conduct an examination or review engagement, 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.

I am required to be independent of the Richland Parish Sales and Use Tax Commission and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my agreed-upon procedures engagement.

This report is intended 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.

*David M. Hartt, CPA (APAC)*

West Monroe, Louisiana  
October 2, 2024

## 1) Written Policies and Procedures

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- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - ii. **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.
  - iii. **Disbursements**, including processing, reviewing, and approving.
  - iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
  - v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
  - vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
  - vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
  - viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
  - ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
  - x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
  - xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
  - xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

The only written procedures the Commission does not have are IT Disaster Recovery and Sexual Harassment policies.

## 2) *Board or Finance Committee*

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- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
  - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

No meetings were held during the year.

## 3) *Bank Reconciliations*

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

There was no evidence that the reconciliations were prepared within two months of the related statement and there is no evidence of review. Bank reconciliations were not prepared timely during the year.

#### 4) Collections (excluding electronic funds transfers)

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- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
  - i. Employees responsible for cash collections do not share cash drawers/registers;
  - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
  - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
  - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - i. Observe that receipts are sequentially pre-numbered.
  - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - iii. Trace the deposit slip total to the actual deposit per the bank statement.
  - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
  - v. Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted.

**5) *Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)***

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- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
  - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
  - ii. At least two employees are involved in processing and approving payments to vendors;
  - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
  - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
  - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

*[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]*

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
  - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
  - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No exceptions noted.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

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- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, 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.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
  - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
  - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions noted.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

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- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
  - i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov));
  - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
  - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and



- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

#### **8) Contracts**

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- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
  - i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
  - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
  - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
  - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted.

#### **9) Payroll and Personnel**

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- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
  - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
  - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
  - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
  - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Leave records were not reconciled during the year.

#### **10) Ethics**

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
  - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
  - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

No exceptions noted.

#### **11) Debt Service**

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- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

This section not applicable.

## 12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions noted.

## 13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
  - i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
  - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
  - iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedures and discussed the results with management.

## 14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
  - ii. Number of sexual harassment complaints received by the agency;
  - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
  - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - v. Amount of time it took to resolve each complaint.

No exceptions noted.