



KAREN M. HOLLES

CERTIFIED PUBLIC ACCOUNTANT

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Independent Auditor's Report

BOARD OF COMMISSIONERS
RICHLAND PARISH TAX COMMISSION
State of Louisiana

I have audited the accompanying general purpose financial statements of the Richland Parish Tax Commission, State of Louisiana, as of and for the year ended June 30, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of the Richland Parish Tax Commission, State of Louisiana management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, and Government Auditing Standards issued by the Comptroller General of the United States. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Richland Parish Tax Commission, State of Louisiana, as of June 30, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated October 6, 1997 on my consideration of the Richland Parish Tax Commission's internal control structure and a report dated October 6, 1997 on its compliance with laws and regulations.

Bossier, Louisiana
October 6, 1997

REVENUE AND TAX COMMISSION
State of Louisiana

Financial Statements and
Independent Auditor's Report
As of and for the Year Ended June 30, 1997

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**RICHARD PASCH THE COMMISSIONER
STATE OF LOUISIANA**

**Financial Reports
June 30, 1991**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewing, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date: NOV 12 1991

Kevin M. Hollis, CPA
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Richland Parish Tax Commission
State of Louisiana
Notes to the Financial Statements (continued)

Public Safety (formerly Motor Vehicles) on behalf of taxing authorities. It is unknown what the potential liability is in this case as of June 30, 1991. Also a case has been filed in Jefferson Parish against a number of tax commissions in this state. This concerns movables stored in Jefferson Parish by South Central Bell but installed or consumed elsewhere. The case mainly involves a question of law and not liability. The issue would be used in Jefferson Parish or Jefferson Parish would use other taxing agencies throughout the state where movables are consumed or used. The Commission's liability if any would be limited to \$2,000 which is the amount they had put a limit on any type of legal fees that they would owe.

RICHLAND PARISH TAX COMMISSION
STATE OF LOUISIANASchedule of Compensation Paid Board Members
As of and for the Year Ended June 30, 1997

The following is a list of the Board of Commissioners of the Richland Parish Tax Commission. The Board receives no compensation for their services.

Mayor Jimmy Dupon, Town of Delhi
Mayor Jean Berry, Town of Bayou La Batre
Charles Gernsey, Town Clerk of Bayou La Batre
Mayor Robert E. Marshall, Town of Mangham
Ronald Adams, Superintendent of the Richland Parish Schools
David Barton, President of the Richland Parish School Board
Ronald Gilley, President of the Richland Parish Police Jury
Ronald Freedland, Secretary of the Richland Parish Police Jury
Deputy Charles McDonald, Richland Parish Sheriff Office

OTHER REPORTS REQUIRED BY

GOVERNMENT AUDITING STANDARDS

The following pages contain reports on internal control structure and compliance with laws and regulations required by the Government Auditing Standards, issued by the Comptroller General of the United States. The report on the internal control structure is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses. The report on compliance with laws and regulations is, likewise, based solely on the audit of the presented financial statements and presents, where applicable, compliance matters that would be material to the presented financial statements.



KAREN M. HOLLIS

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

BOARD OF COMMISSIONERS
RICHLAND PARISH TAX COMMISSION
State of Louisiana

I have audited the general purpose financial statements of the Richland Parish Tax Commission, State of Louisiana, as of and for the year ended June 30, 1997, and have issued my report thereon dated October 6, 1997.

I have conducted my audit in accordance with generally accepted auditing standards, and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Richland Parish Tax Commission is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, control or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that such procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing my audit of the general purpose financial statements of the Richland Parish Tax Commission, State of Louisiana, for the year ended June 30, 1997, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

I noted, as a reportable condition, the size of the Tax Commission's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal control, although to employ such controls may not be cost beneficial.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in accounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I believe none of the reportable conditions described above is a material weakness.

I also noted certain matters that I have reported to the management of the Commission in a separate letter dated October 8, 1987.

This report is intended for the information of management and the Board of Commissioners. However, this report is a matter of public record and its distribution is not limited.

Kevin M. Hollis

Wayville, Louisiana
October 8, 1987



KAREN M. HOLLIS

CERTIFIED PUBLIC ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

BOARD OF COMMISSIONERS
RICHLAND PARISH TAX COMMISSION
State of Louisiana

I have audited the general purpose financial statements of the Richland Parish Tax Commission, State of Louisiana, as of and for the year ended June 30, 1997, and have issued my report thereon dated October 6, 1997.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Richland Parish Tax Commission, State of Louisiana, is the responsibility of Richland Parish Tax Commission's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of Richland Parish Tax Commission's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance, with respect to the items tested, that are required to be reported under Government Auditing Standards.

This report is intended for the information of management, and Board of Commissioners. However, this report is a matter of public record and its distribution is not limited.

Karen M. Hollis

Bossier City, Louisiana
October 6, 1997



KAREN M. HOLLIS

CERTIFIED PUBLIC ACCOUNTANT

P.O. Box 387
611 Machine Street
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Phone: (504) 735-0548

October 6, 1987

Board of Commissioners
Richland Parish Tax Commission

I have compiled the general purpose financial statements of the Richland Parish Tax Commission as of and for the year ended June 30, 1987, and have issued my reports on the financial statements dated October 6, 1987.

As a result of planning and performing the audit, certain matters have come to my attention, that are not reflected in any of the aforementioned reports, which I feel worthy of consideration by management.

Concerning the matters identified in the prior year's management letter, the mistakes are now being published in the official paper of the parish and I commend the Commission on complying with the law concerning the minutes.

After reviewing the list of audits that were undertaken during the fiscal year, I noticed that actually ten were audits or reviews of vendor accounts, four with findings totaling \$14,411. The others listed were requests for refunds or enterprise zone refunds and two are to be audited by Revenue Recovery due to the main office being out of parish. This is an improvement from the prior year but I am still not a sufficient amount of time each month to attempt more in parish audits. Based upon conversations with other tax commissioners, it could be possible to have at least three audits per week.

I also have some suggestions that would be helpful to the Commission as follows:

a) a daily record of time by each employee, especially any hourly employees, that must be signed by the employee and turned in for a paycheck. This will facilitate in record keeping for hourly employees as well as salaried.

b) a weekly status report showing the work completed for that week and the results, if any, and the continuation of work into the following week with expected completion dates. This should be given to the Chairman of the Board each week on at least on a monthly basis. This will give the Board an idea of how each week is being planned and the accomplishments.

c) An absence report showing the dates, employee name and charging the time off to which account location, sick leave,

personnel) and signed by the employee. This will be helpful in monitoring time off and days remaining of accrued time for each fiscal year.

di a telephone log should also be used for all long distance calls showing date, purpose of each call and to whom the call was made.

ej in helping to facilitate the audits, the use of checklists and possibly a spreadsheet set up in Excel or Lotus would be useful. The checklists should be retained in the vendors files along with any computer generated spreadsheets and other items to document the audit.

As always, I want to express my appreciation to you for all the courtesy and assistance I received during this year's audit. Your past history of giving serious consideration to my findings and recommendations is a strong indication of your desire to enhance the Commission's financial management function and achieve your goals under your stewardship over the Commission's resources and assets. I hope this year's comments and recommendations will further assist you in these efforts.

Sincerely,

Karen M. Hollis

Karen M. Hollis, CPA

RECLAMATION SERVICE TAX COMMISSION
 STATE of Louisiana
 ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, June 30, 1991

	Governmental Fund - General Fund	Fiduciary Fund Agency Fund	Account Group-General Fixed Assets	Total Nonmonetary Assets
ASSETS				
Cash	\$ 21,844	\$	\$	\$ 21,844
Restricted-Cash		2,227		2,227
Fixed Assets			59,751	59,751
TOTAL ASSETS	\$ 21,844	\$ 2,227	\$ 59,751	\$ 83,822
LIABILITIES AND FUND EQUITIES				
Liabilities:				
Accounts Payable	\$ 2,799	\$	\$	\$ 2,799
Payroll Taxes Payable	609			609
Accrued Payable	1,888			1,888
Retirement Payable	1,944			1,944
Due to Taxing Authorities		2,227		2,227
TOTAL LIABILITIES	7,338	2,227		9,565
Fund Equities:				
Investment in Fixed Assets			59,751	59,751
Fund Balance	14,602			14,602
TOTAL LIABILITIES AND FUND EQUITIES	\$ 21,844	\$ 2,227	\$ 59,751	\$ 83,822

The accompanying notes are an integral part of this statement.

ROCKLAND PARISH TAX COMMISSION
State of Louisiana
GOVERNMENTAL FUND - GENERAL FUND

Statement of Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended June 30, 1997

	JUNE 30, 1997
REVENUES	
Intergovernmental	\$ 84,287
Interest	529
Miscellaneous	1,000
TOTAL REVENUES	85,816
EXPENDITURES	
Deeds & Subscriptions	862
Employee Benefits	5,724
Insurance	3,171
Legal and Professional	8,193
Postage	2,224
Repairs and Maintenance	2,491
Salaries	52,033
Supplies	2,219
Tax & Licenses	857
Telephone	2,318
Training and Travel	1,884
Utilities	2,197
Capital Outlay	110
TOTAL EXPENDITURES	81,932
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,884
FUND BALANCE AT BEGINNING OF YEAR	32,221
FUND BALANCE AT END OF YEAR	\$ 36,105

The accompanying notes are an integral part of this statement.

WICKLAND PARISH TAX COMMISSION
 Bayville, Louisiana
 GOVERNMENTAL FUND - GENERAL FUND

Statement C

Statement of Revenues, Expenditures, and Fund Balances
 (Budget (BRAP Basis) and Actual)
 For the Year Ended June 30, 1997

	BUDGET	ACTUAL	VARIANCE FAVORABLE UNFAVORABLE
REVENUES			
Intergovernmental	\$ 84,248	\$ 84,248	\$ -
Interest	-	529	529
Miscellaneous	-	1,888	1,888
TOTAL REVENUES	84,248	86,665	2,417
EXPENDITURES			
Dees & Subscriptions	620	662	42
Employee Benefits	6,408	5,324	1,084
Insurance	1,803	1,970	(167)
Legal and Professional	5,328	4,933	395
Postage	2,388	2,224	164
Repairs and Maintenance	1,325	2,490	(1,165)
Salaries	51,908	52,833	(925)
Supplies	2,845	2,318	527
Tax & Licenses	153	893	(740)
Telephone	2,408	2,218	190
Training and Travel	2,588	1,888	600
Utilities	2,588	2,882	(294)
Capital Outlay	338	338	-
TOTAL EXPENDITURES	84,248	83,922	326
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	2,743	2,743
FUND BALANCE AT BEGINNING OF YEAR	14,665	12,711	1,954
FUND BALANCE AT END OF YEAR	14,665	14,665	-

The accompanying notes are an integral part of this statement.

RICHLAND PARISH TREASURY COMMISSION
 State of Louisiana
 FIDUCIARY FUND - AGENCY FUND

Statement of Changes in Assets and Liabilities
 For the Year Ended June 30, 1997

Cash		\$ 2,227
Cash at Beginning of Year		2 2,387
Add:		
Tax Collections	6,388,492	
Interest Income	<u> 60</u>	6,388,562
Less:		
Remittances to Taxing Authorities		
Richland Parish School Board	2,382,882	
Richland Parish Police Jury	2,187,838	
Richland Parish Sheriff's Office	122,629	
Town of Abbeville	443,109	
Town of Mangham	41,697	
Town of Bayou La Lata	800,833	
Kossow Recovery Group	4,885	
Miscellaneous	20,262	
Lease Fees	<u> 822</u>	16,388,882
Cash at end of year		\$ 2,227

The accompanying notes are an integral part of this statement.

RICHLAND PARISH TAX COMMISSION
State of Louisiana

NOTES to the Financial Statements
As of and for the Year Ended June 30, 1987

INTRODUCTION

Richland Parish Tax Commission was established by a joint agreement for the collection of sales and use taxes and other fees on April 22, 1983. The following taxing authorities, Town of Bayouville, Louisiana, Town of Mandeville, Louisiana, Town of Sulphur, Louisiana, Richland Parish School Board, Richland Parish Law Enforcement District, and Richland Parish Police Jury, are parties to the joint agreement. The joint agreement was renewed by all parties in May, 1985. The commission is managed by a Board of Commissioners composed of nine members. A chairman is elected from the nine members to serve a one year term. The Board of Commissioners appoints an Administrator who shall serve at the pleasure of the Board. The Board of Commissioners receives no compensation for their services.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the Richland Parish Tax Commission have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

This report contains all of the funds and account groups of the Richland Parish Tax Commission. There are no significant additional organizations, functions or activities over which the Commission has manifestations of oversight, or for which the scope of public service or special financial arrangements may require them to be included in this report as per the criteria set forth in GASB 14.

C. FUND ACCOUNTING

The Commission uses Funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets

Richland Parish Tax Commission
State of Louisiana
Notes to the Financial Statements (continued)

and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

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 are used to account for all or most of the Commission's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of long-term debt. Governmental funds include:

General Fund--The general operating fund of the Commission and accounts for all financial resources, except those required to be accounted for in other funds.

Fiduciary Funds

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Commission. Fiduciary funds include:

Agency Funds--Account for assets that the Commission holds on behalf of others as their agent. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds, and Agency Funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues are recognized when available and measurable.

Expenditures

Expenditures are recognized when incurred.

K. DEPRECIATION

Richard Parish Tax Commission
State of Louisiana
Notes to the Financial Statements (continued)

A preliminary budget for the ensuing year is prepared by the Administrator prior to May 1st of each year. The budget is adopted during the Tax Commission's quarterly meeting prior to June 15th. All annual appropriations lapse at fiscal year end.

The combined statement of revenues, expenditures, and changes in fund balances - budget and actual for the governmental fund type provides comparison of the legally adopted budget as amended with actual data on a budgetary basis. Accounting principles applied for purposes of developing data on a budgetary basis and those used to prepare financial statements in conformity with generally accepted accounting principles are the same and no adjustment is necessary to convert the actual GAAP data to the budgetary basis.

Expenditures were not in excess of budgeted appropriations for the General Fund.

F. ENCUMBRANCES

The Commission does not use the encumbrance system of accounting.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Commission may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana or any other state of the United States, or under the laws of the United States.

H. FIXED ASSETS AND LONG TERM DEBT

Fixed assets of governmental funds are recorded as expenditures at the time of purchase or construction, and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

The Tax Commission has no long term debt at June 30, 1991.

I. COMPENSATED ABSENCE

Full-time employees of the Tax Commission are entitled to 24 working days of annual leave after completing one year of employment, and one day per month of sick leave which also may be accumulated. A maximum of five days leave time may be carried forward to January 1st of the following year. Upon resignation or retirement, employees may be compensated for up to 10 days of accumulated annual leave and up to 10 days of accumulated sick leave at the employee's current rate of pay.

Richland Parish Tax Commission
State of Louisiana
Notes to the Financial Statements (Continued)

3. TOTAL COLUEN ON BALANCE SHEET

The total column on the balance sheet is captioned "Miscellaneous Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

4. CASH AND RESTRICTED CASH

At June 30, 1997, the district has cash and restricted cash (bank balances) totaling \$21,251 as follows:

Demand deposits	\$ 21,248
Interest-bearing demand deposits	<u>3,223</u>
Total	<u>\$ 24,471</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (on the remaining bank balances) must be secured by Federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the Federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1997, the district has \$24,471 in deposits (collected bank balances). These deposits are secured from risk by \$24,471 of Federal deposit insurance.

The interest bearing demand deposit is classified as restricted cash on the balance sheet because the use of this money is for workers protection assessments.

5. CHANGES IN FIXED ASSETS

A summary of the changes in the General Fixed Assets Account Group for the year ended June 30, 1997, is as follows:

Fixtures and Equipment - 6/30/96	258,847
Additions	119
Retirements	<u> </u>
Fixtures and Equipment - 6/30/97	<u>258,966</u>

6. PENSION PLAN

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

Richland Parish Tax Commission
State of Louisiana
Notes to the Financial Statements (Continued)

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 68 with at least 38 years of creditable service, or at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1990, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1990. Final-average salary is the employer's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established as required by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, PO Box 14819, Baton Rouge, LA 70898-4819, or by calling (504) 928-1981.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the Commission is required to contribute at an actuarially determined rate. The current rate is 8.0 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the district are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:389, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Commission's contributions to the System under Plan A for the years ending June 30, 1997, 1998, 1999 were \$1,482, \$1,482, \$1,890, respectively, equal to the required contributions for the years.

5. LITIGATION AND CLAIMS

As of June 30, 1997, the Revenue Recovery Group had threatened litigation against the Richland Parish Tax Commission claiming fees in the amount of \$28,888 to \$29,990 resulting from a contractual dispute. The Tax Commission intends to vigorously contest the case if a lawsuit is filed. At this time the Tax Commission and Revenue Recovery have renewed their contract and the possibility of the litigation has diminished. Also a class action suit has been brought against all tax commissioners within the state involving tax collection by the Department of Revenue and Taxation and the Department of