

**ORIGINAL
FILE COPY**

1968-69

DO NOT SEND OUT

50007-3-1511-00

Make duplicate
copies from this
copy and PLACE
DATE IN FILE

98602215
5296

**RICHLAND PARISH TAX COMMISSION
STATE OF LOUISIANA**

**Financial Reports
June 30, 1968**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, 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 SEP 15 1968

Rayon H. Holtz, CPA
611 Madeline Street
PO Box 287
Rayville, Louisiana 71268
(214) 726-0344

RICHLAND PARISH TAX COMMISSION
State of Louisiana

General Purpose Financial Statements
As of and for the Year Ended June 30, 1998
With Supplemental Information Schedules

CONTENTS

	Statement	Page
Independent Auditor's Report		2
General Purpose Financial Statements:		
Balance Sheet - All Fund Types and Account Groups	A	3
Governmental Funds:		
Statement of Revenues, Expenditures, and Changes in Fund Balances	B	4
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP) and Actual - General Fund	C	5
Fiduciary Funds:		
Statement of Changes in Assets and Liabilities	D	6
Notes to the Financial Statements		7
	Schedule	Page
Supplemental Information Schedules:		
Schedule of Compensation Paid Board Members	1	13
Summary Schedule of Prior Audit Findings	2	14
Corrective Action Plan for Current Year Audit Findings	3	15
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards		16



KAREN M. HOLLIS

CHARTERED PUBLIC ACCOUNTANT

P.O. Box 269
811 Madeline Street
Rayville, LA 71289
Phone (214) 729-6488

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, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the Richland Parish Tax Commission's 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, 1998, 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 August 26, 1998, on my consideration of the Richland Parish Tax Commission's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Rayville, Louisiana
August 26, 1998

RICHLAND PARISH TAX COMMISSION
State of Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Balance Sheet, June 30, 1999

	GOVERNMENTAL	FUNDIARY	ACCOUNT	TOTAL
	FUND	FUND	GROUP	
	GENERAL	AGENCY	GENERAL	
	FUND	FUND	FUND	(MEMORANDUM)
			ASSETS	(DOLLARS)
ASSETS AND OTHER DEBITS				
Assets:				
Cash and cash equivalents	\$0,000	\$	\$	\$0,000
Receivable/cash		1,000		1,000
Land, buildings, and equipment			90,000	90,000
TOTAL ASSETS AND OTHER DEBITS	\$0,000	\$1,000	\$90,000	\$91,000
LIABILITIES, EQUITY, AND OTHER CREDITS				
Liabilities:				
Accounts payable	\$0,000	\$	\$	\$0,000
Payroll deductions and withholdings payable	000			000
Salaries and wages payable	1,000			1,000
Estimated compensated absences	1,000			1,000
Retirement payable	0,000			0,000
Due to other taxing authorities		1,000		1,000
Total Liabilities	0,000	1,000		0,000
Equity and Other Credits:				
Investment - external fund assets			90,000	90,000
Fund balances:				
Unreserved - undesignated	00,000			00,000
Total Equity and Other Credits	00,000		90,000	90,000
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	00,000	\$1,000	\$90,000	\$91,000

The accompanying notes are an integral part of this statement.

RICHLAND PARISH TAX COMMISSION
State of Louisiana
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1996

	GENERAL FUND	TOTAL MEMORANDUM (046.7)
REVENUES		
Intergovernmental revenues	\$83,438	\$83,438
Interest earnings	597	597
Other revenues	358	358
Total revenues	<u>\$84,393</u>	<u>\$84,393</u>
EXPENDITURES		
Dues and subscriptions	188	188
Employee benefits	8,231	8,231
Insurance	1,848	1,848
Legal and accounting	7,711	7,711
Office supplies	1,348	1,348
Postage	2,881	2,881
Repairs and maintenance	1,348	1,348
Salaries	53,098	53,098
Tax and licenses	693	693
Telephones	2,138	2,138
Travel	1,021	1,021
Utilities	2,093	2,093
Capital outlay	1,458	1,458
Total expenditures	<u>\$82,193</u>	<u>\$82,193</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>2,199</u>	<u>2,199</u>
FUND BALANCES (Deficit) AT BEGINNING OF YEAR	14,095	14,095
FUND BALANCES (Deficit) AT END OF YEAR	<u>\$16,293</u>	<u>\$16,293</u>

The accompanying notes are an integral part of this statement.

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

**Statement of Revenues, Expenditures,
 and Changes in Fund Balance - Budget
 (GAAP Basis) and Actual
 For the Year Ended June 30, 1998**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Intergovernmental revenues	\$94,240	\$93,438	(802)
Interest earnings	0	597	597
Other revenues	0	350	350
Total revenues	<u>\$94,240</u>	<u>\$93,385</u>	<u>145</u>
EXPENDITURES			
Dues and subscriptions	534	155	379
Employee benefits	5,595	5,751	156
Insurance	1,930	1,945	15
Legal and accounting	7,840	7,711	129
Office supplies	2,370	1,789	581
Postage	2,700	2,881	(181)
Repairs and maintenance	1,380	1,380	0
Salaries	51,920	53,096	(1,176)
Tax and licenses	755	953	(198)
Telephone	2,480	2,198	282
Travel	1,984	1,021	963
Utilities	2,580	2,093	487
Capital outlay	1,385	1,458	(73)
Total expenditures	<u>\$84,240</u>	<u>\$82,187</u>	<u>2,053</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>0</u>	<u>2,198</u>	<u>2,198</u>
FUND BALANCE (Deficit) AT BEGINNING OF YEAR	<u>14,055</u>	<u>14,055</u>	<u>0</u>
FUND BALANCE (Deficit) AT END OF YEAR	<u>\$14,055</u>	<u>\$16,253</u>	<u>\$2,198</u>

The accompanying notes are an integral part of this statement.

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

**Statement of Changes
 In Assets and Liabilities
 For the Year Ended June 30, 1998**

	<u>Amount</u>
Cash	<u>\$1,000</u>
Cash at beginning of year	1,000
Add:	
Tax collections	6,470,000
Interest income	<u>61</u>
	6,470,061
Deduct:	
Remittance to taxing authorities	
Richland Parish School Board	1,265,498
Richland Parish Police Jury	2,188,186
Richland Parish Sheriff's Office	722,606
Town of Delhi	405,595
Town of Mangrove	40,857
Town of Rayville	635,104
Reverend Recovery Group	20,107
Miscellaneous-refund of overpayments	1,876
Enterprise Zone Rebate	<u>4,000</u>
	6,473,679
Cash at end of year	<u>\$1,000</u>

RICHLAND PARISH TAX COMMISSION
Richland Parish
State of Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 1998

INTRODUCTION

The Richland Parish Tax Commission was established by joint agreement for the collection of sales and use taxes and other fees on April 14, 1982. The following taxing authorities, Town of Rayville, Louisiana, Town of Mangham, Louisiana, Town of Cotti, Louisiana, Richland Parish School Board, Richland Parish Police Jury, and Richland Parish Sheriff Office are the parties to the joint agreement. The joint agreement was renewed 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 commissioners receive 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 manifestation of oversight, or for which the scope of public services 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 governmental functions or activities.

RICHLAND PARISH TAX COMMISSION
State of Louisiana
Notes to the Financial Statements (Continued)

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

Funds of the Commission are classified as governmental funds and fiduciary funds. Governmental funds account for 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 general long-term debt. Governmental funds of the Commission include:

General Fund—the general operating fund of the district and accounts for all financial resources, except those required to be accounted for in other 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 of the Commission include:

Agency Fund—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. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally 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 the governmental 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.

E. BUDGETS

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 Commission's quarterly meeting prior to June 15th. All annual appropriations lapse at fiscal year end.

RICHLAND PARISH TAX COMMISSION
State of Louisiana
Notes to the Financial Statements (Continued)

The combined statement of revenues, expenditures, and changes in fund balances—budget and actual for the governmental fund type presents compositions 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 present 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.

F. ENCUMBRANCES

The Commission does not use the encumbrance system of accounting.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, 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 law or any other state of the United States, or under the laws of the United States.

H. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased or constructed, 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.

I. COMPENSATED ABSENCES

The district has the following policy relating to vacation and sick leave:

Full time employees of the Commission are entitled to ten 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 ten days of accumulated annual leave and up to ten days of accumulated sick leave at the employee's current rate of pay.

J. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

The Commission has no long term debt at June 30, 1996.

RICHLAND PARISH TAX COMMISSION
State of Louisiana
Notes to the Financial Statements (Continued)

K. FUND EQUITY

Reserves

Reserves represent those portions of fund equity not appropriate for expenditure or legally segregated for a specific future use.

Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

L. TOTAL COLUMNS ON STATEMENTS

The total columns on the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. CASH AND CASH EQUIVALENTS

At June 30, 1998, the district has cash and cash equivalents (book balances) totaling \$25,165 as follows:

Demand deposits	<u>\$23,262</u>
Interest-bearing demand deposits	<u>1,832</u>
Total	<u>\$25,165</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1998, the district has \$55,823 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance.

3. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

RICHLAND PARISH TAX COMMISSION
 State of Louisiana
 Notes to the Financial Statements (Continued)

	Balance 06-Jun 1997	Additions	Deductions	Balance 06-Jun 1998
Land Building	\$27,800	\$	\$	\$27,800
Furniture & Equipment	22,852	1,552		24,404
Total	<u>\$50,652</u>	<u>\$1,552</u>	<u>\$</u>	<u>\$52,204</u>

4. 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 district are members of Plan A.

All permanent employees working at least 26 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 50 with at least 10 years of creditable service, 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 3% 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 1% of final average salary plus \$24 for each year of supplemental plan only service earned before January 1, 1990. Final-average salary is the employee's average salary over the 30 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 or amended 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, Post Office Box 14810, Baton Rouge, Louisiana 70802-4810, or by calling (504) 328-1351.

Funding Policy. Under Plan A, members are required by state statute to contribute 0.5% of their annual covered salary and the district is required to contribute at an actuarially determined rate. The current rate is 7.75% 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 R.S. 11:102, 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 district's contributions to the System under Plan A for

RICHLAND PARISH TAX COMMISSION
State of Louisiana
Notes to the Financial Statements (Continued)

The years ending June 30, 1995, 1997, and 1998, were \$3,704, \$3,002, and \$3,662, respectively, equal to the required contributions for each year.

5. COMPENSATED ABSENCES

At June 30, 1998, employees of the district have accumulated and vested \$1,576 of employee leave benefits, which was computed in accordance with GASB Codification Section 10041 of this amount is recorded as an obligation of the General Fund.

6. LITIGATION AND CLAIMS

At June 30, 1998, the district is not involved in any litigation. The Revenue Recovery Group had threatened litigation against the Commission claiming fees in the range of \$10,000 to \$20,000 resulting from a contractual dispute. The Commission intends to vigorously contest the case if a lawsuit is filed. At this time, the Commission and Revenue Recovery have renewed their contract and no reversion of a possible lawsuit has been made. Also a class action lawsuit has been brought against all tax commissions within the state involving tax collection by the Department of Revenue and Taxation and the Department of Public Safety on behalf of taxing authorities. It is unknown what the potential liability is in this case as of June 30, 1998.

RICHLAND PARISH TAX COMMISSION
State of Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES
For the Year Ended June 30, 1998

COMPENSATION PAID BOARD MEMBERS

A schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1975 Session of the Louisiana Legislature.

PRIOR AUDIT FINDINGS

The follow up and corrective action taken on all prior audit findings is presented in the summary schedule of prior audit findings (Schedule 2).

CURRENT AUDIT FINDINGS

The corrective action plan for current year audit findings is presented in Schedule 3.

RICHLAND PARISH TAX COMMISSION
 State of Louisiana

Schedule of Compensation Paid Board Members
For the Year Ended June 30, 1998

<u>NAME</u>	<u>AMOUNT</u>
Mayor Jimmy Hopson, Town of Delhi	\$0
Mayor Isaac Berry, Town of Rayville	0
Charles Germany, Town Clerk of Rayville	0
Zona McKay, Town of Mangham	0
Bonnie Adams, Superintendent of Richland Parish Schools	0
David Barton, President of Richland Parish School Board	0
Erica Greer, President of Richland Parish Police Jury	0
Robby Burns, Secretary of Richland Parish Police Jury	0
Deputy Charles McDonald, Richland Parish Sheriff Office	<u>0</u>
Total	<u><u>\$0</u></u>

RICHLAND PARISH TAX COMMISSION
State of Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 1988

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>	<u>Additional Explanation</u>
<u>1</u>	<u>6/30/87</u>	<u>Limited staff precludes adequate segregation</u>	<u>No</u>	<u>None</u>	<u>Not cost beneficial at this time</u>
<u>2</u>	<u>6/30/87</u>	<u>Increase in audits</u>	<u>Partially</u>	<u>No designated number to be completed but</u>	<u>more audits to be completed</u>
<u>3</u>	<u>6/30/87</u>	<u>Daily time sheets</u>	<u>Yes</u>	<u>Required for hourly and used a limited time on salary</u>	
<u>4</u>	<u>6/30/87</u>	<u>Weekly status reports</u>	<u>Yes</u>	<u>Required on a monthly basis</u>	
<u>5</u>	<u>6/30/87</u>	<u>Absence report</u>	<u>Yes</u>	<u>Daily slip required and a summary for year kept</u>	
<u>6</u>	<u>6/30/87</u>	<u>Telephone log</u>	<u>No</u>	<u>Not required at this time</u>	<u>Large distance charges are over monthly</u>
<u>7</u>	<u>6/30/87</u>	<u>Checklists and/or spreadsheets to (control audits)</u>	<u>Partially</u>	<u>Have checklists for audits but not in use</u>	

RICHLAND PARISH TAX COMMISSION
State of Louisiana

Corrective Action Plan for
Current Year Audit Findings
For the Year Ended June 30, 1999

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
<u>1</u>	<u>No policy or waiver of penalties by administrator</u>	<u>Adopt written policy</u>	<u>Genie Williams</u>	<u>10/1998</u>
<u>2</u>	<u>Sales tax & accounting software not Y2K compliant</u>	<u>Sales Tax & Accounting Software to be updated to be in compliance</u>	<u>Genie Williams</u>	<u>12/1998</u>



KAREN M. HOLLIS

Comptroller Public Accountant

P.O. Box 287
811 Madeline Street
Rayville, LA 71270
Phone (337) 729-6648

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF 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 Richland Parish Tax Commission, State of Louisiana, as of and for the year ended June 30, 1998, and have issued my report thereon dated August 26, 1998. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Richland Parish Tax Commission's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Richland Parish Tax Commission's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses. However, I noted other matters involving the internal control over financial reporting that I have reported to management of Richland Parish Tax Commission in a separate letter dated August 26, 1998.

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


Rayville, Louisiana
August 26, 1998



August 26, 1998

Board of Commissioners
Richland Parish Tax Commission

I have audited the general purpose financial statements of the Richland Parish Tax Commission as of and for the year ended June 30, 1998, and have issued my report thereon dated August 26, 1998. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

As part of my examination, I have issued my report on the financial statements, dated August 26, 1998, and my report on internal control and compliance with laws, regulations, and contracts, dated August 26, 1998.

During the course of my examination, I became aware of the following matters which represent immaterial deviations of compliance or suggestions for improved internal controls.

Suggestion 1998-1. The Commission has no written policy regarding the waiving of penalties. I would recommend the Board of Commissioners to adopt a written policy on the waiving of penalties. The Board could allow the administrator to waive up to a certain amount and all over that amount be waived by Board approval only. The penalties waived by the administrator should have proof of the amount waived and signed by the vendor showing agreement with the amount. This would provide some control over the waiving of penalties by the administrator and the Board would have knowledge of how much had been waived.

Suggestion 1998-2. The Commission's software is not Year 2000 compliant as of the date of this report. Software Services provides the Commission with the sales tax software and it is being installed to be in compliance within the following year. QuickEasy V9 (a DOS version) needs to be upgraded to the latest version to be in compliance. My recommendation would be to switch to Quickbooks V5, (a Windows version) which is already Y2K compliant and is much simpler to use.

As to prior year findings, all findings have been corrected except for the following, which were partially corrected:

Suggestion 1997-2. The Board should be aware of the audits being completed through the monthly SIMA reports by the administrator. It is the Board's responsibility to continue to monitor the situation each month.

Suggestion 1997-7. The use of checklists for sales tax audits was suggested in last year's report. After reviewing some of the audit files, I found little evidence that these were in fact being used. The use of these checklists would help protect the Commission and also provide

evidence that guidelines were followed in performing the audits. I would strongly recommend consistent use of these checklists in all sales tax audit engagements.

As always, I wish 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 toward 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, CPA