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**RICHLAND PARISH TAX COMMISSION
STATE OF LOUISIANA**

**Annual Financial Statements
With Independent Auditor's Reports
As of and for the Year Ended
June 30, 2004
With Supplemental Information Schedules**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 12-1-04

RICHLAND PARISH TAX COMMISSION
State of Louisiana

Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended June 30, 2004
With Supplemental Information Schedules

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RICHLAND PARISH TAX COMMISSION
State of Louisiana
June 30, 2004

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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, 2004, 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 auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the 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, 2004, and the changes in its financial position for the year then ended in conformity with generally accepted accounting principles.

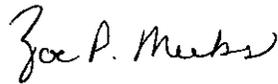
As described in Note 1 to the financial statements, the commission has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis--for State and Local Governments*, as of June 30, 2004.

Management's discussion and analysis, and supplementary information on pages 6 through 9 and 27 through 28, respectively are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required

supplementary information and reviewing the source of selected information. However, I did not audit the information and express no opinion on it.

My audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the Richland Parish Tax Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, I have also issued a report dated October 25, 2004, 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.



Rayville, Louisiana
October 25, 2004

REQUIRED SUPPLEMENTAL INFORMATION
PART I

RICHLAND PARISH TAX COMMISSION
State of Louisiana

Management's Discussion and Analysis
June 30, 2004

As management of the Richland Parish Tax Commission, I offer readers of the Richland Parish Tax Commission's financial statements this narrative overview and analysis of the financial activities of the Richland Parish Tax Commission for the fiscal year ended June 30, 2004. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Financial Highlights

Tax Commission's Activities and Highlights

The Commission was created in 1992 by a joint agreement for the collection of sales, use taxes and other fees. The parties to the joint agreement are the Richland Parish School Board; Richland Parish Police Jury; Richland Parish Sheriff's Office; Town of Rayville, LA; Town of Delhi, LA; and Town of Mangham, LA. The purpose of the Commission is to collect sales and use taxes within the parish of Richland. The Commission is funded by the parties to the joint agreement on a pro-rata basis on the ratio that the taxes collected for each bears to the total taxes collected for all. The total amount of the annual funding is determined during the budget process and is collected monthly at the rate of one-twelfth of the annual amount.

The Commission Administrator, Onnie Williams suffered from a terminal illness during the year, year ended June 30, 2004, and passed away on March 8, 2004. For a period of time during his absence and after his death, his duties were performed by the existing personnel of the Commission. This resulted in an overall decrease in salaries and contracted services of \$19,676 from the prior fiscal year. The budget was amended and the fees charged to the taxing authorities were reduced by \$19,936 for the year.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Commission's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Tax Commission's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in her independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Richland Parish Tax Commission's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Richland Parish Tax Commission's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Richland Parish Tax Commission is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Richland Parish Tax Commission like other state and local governments uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Richland Parish Tax Commission can be divided into two categories: governmental funds and fiduciary (agency) funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Richland Parish Tax Commission adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided for the general fund to demonstrate compliance with this budget.

Fiduciary funds. Fiduciary (agency) funds are used to account for resources held for the benefit of parties outside the government. Since these resources are not available to support the Tax Commission's programs, Fiduciary (agency) funds are not reflected in the government-wide financial statement.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Richland Parish Tax Commission's performance.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Richland Parish Tax Commission exceeded liabilities by \$86,371. Approximately 55% of the Commission's net assets reflects its investment in capital assets (e.g., equipment). These assets are not available for future spending.

The balance in unrestricted net assets is affected by two factors: 1) resources expended, over time, by the Richland Parish Tax Commission to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets being included in the statement of net assets for the first time.

Since this is the first year of implementing the new reporting model, comparative information is not available for further government-wide financial analysis. In future years, when prior year information is available, a comparative analysis of government-wide data will be presented.

Financial Analysis of the Government's Funds

As noted earlier, the Richland Parish Tax Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund's unreserved, undesignated fund balance of \$42,747 shows an increase of \$16,392 from the prior year amount.

General Fund Budgetary Highlights

Differences between expenditures of the original budget and the final budget were due primarily to a decrease in salaries. Differences between revenues of the original budget and the final budget were due primarily to a reduction in the amounts for cost reimbursement to the taxing authorities represented by the Commission. The cost reimbursement assessed was decreased to accommodate the decrease in personnel cost.

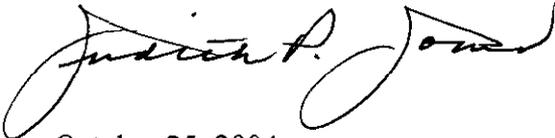
Capital Assets and Debt Administration

Capital Assets. The Richland Parish Tax Commission's investment in capital assets for its governmental activities as of June 30, 2004, amounts to \$47,841 (net of accumulated depreciation). This investment includes furniture, office equipment, and an office building. There was a decrease in net capital assets of \$3,882 for the year.

Long-term debt. The Richland Parish Tax Commission has no debt outstanding.

Request for Information

This financial report is designed to provide a general overview of the Richland Parish Tax Commission's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Richland Parish Tax Commission, P.O. Box 688, Rayville, LA 71269-0688.



October 25, 2004

BASIC FINANCIAL STATEMENTS

Statement A

RICHLAND PARISH TAX COMMISSION
State of Louisiana

STATEMENT OF NET ASSETS
June 30, 2004

ASSETS	
Cash and cash equivalents	\$45,789
Receivables	
Prepaid items	1,037
Capital assets (net of accumulated depreciation)	<u>47,841</u>
TOTAL ASSETS	<u>94,667</u>
LIABILITIES	
Accounts payable	2,022
Compensated absences payable	4,217
Salaries and wages payable	<u>2,057</u>
TOTAL LIABILITIES	<u>8,296</u>
NET ASSETS	
Invested in capital assets, net of related debt	47,841
Unrestricted	<u>38,530</u>
TOTAL NET ASSETS	<u>\$86,371</u>

The accompanying notes are an integral part of this statement.

RICHLAND PARISH TAX COMMISSION
State of Louisiana

STATEMENT OF ACTIVITIES
June 30, 2004

	Expenses	Program Revenues Charges for Services	Net Revenue and Change in Net Assets Governmental Activities
Governmental Activities:			
Tax Collection	\$90,592	\$99,680	\$ 9,088
General Revenues;			
Unrestricted Investment Earnings			108
Change in Net Assets			9,196
Net Assets - Beginning			77,175
Net Assets - Ending			\$86,371

The accompanying notes are an integral part of this statement.

RICHLAND PARISH TAX COMMISSION
State of Louisiana

GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2004

	GENERAL FUND
ASSETS	
Cash and cash equivalents	\$ 45,789
Receivables	-
Prepaid items	1,037
TOTAL ASSETS	\$ 46,826
LIABILITIES AND FUND EQUITY	
Liabilities:	
Accounts payable	\$ 2,022
Payroll deductions and withholdings payable	-
Salaries and wages payable	2,057
TOTAL LIABILITIES	4,079
Fund Balance	
Unreserved/undesignated	42,747
TOTAL LIABILITIES AND FUND EQUITY	\$ 46,826

The accompanying notes are an integral part of this statement.

Statement D

RICHLAND PARISH TAX COMMISSION
State of Louisiana

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2004

	<u>GENERAL FUND</u>
REVENUES	\$ 99,680
Intergovernmental revenues	108
Interest earnings	<u>99,788</u>
Total Revenues	
 EXPENDITURES	
Contracted services - Bookkeeper	23,767
Contracted services - Administrator	12,659
Dues and subscriptions	879
Employee benefits	5,643
Insurance	1,333
Professional services	6,189
Office supplies and expense	6,204
Repairs and maintenance	1,644
Salaries	16,412
Telephone	2,924
Travel	668
Utilities	2,673
Capital outlay	<u>2,401</u>
Total Expenditures	<u>83,396</u>
 EXCESS OF REVENUES OVER EXPENDITURES	 16,392
 FUND BALANCE AT BEGINNING OF YEAR	 <u>26,355</u>
 FUND BALANCE AT END OF YEAR	 <u><u>\$ 42,747</u></u>

The accompanying notes are an integral part of this statement.

RICHLAND PARISH TAX COMMISSION
State of Louisiana

Statement of Fiduciary Net Assets – Agency Fund
June 30, 2004

ASSETS

Cash and cash equivalents	<u>\$3,065</u>
Restricted cash	<u>\$3,065</u>

LIABILITIES

Due to:	
Taxing Authorities	<u>\$3,065</u>

TOTAL LIABILITIES	<u>\$3,065</u>
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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, 2004

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, 1992. The following taxing authorities: Town of Rayville, Louisiana; Town of Mangham, Louisiana; Town of Delhi, Louisiana; Richland Parish School Board; Richland Parish Police Jury; and Richland Parish Sheriff's Office are the parties to the joint agreement. The joint agreement was renewed in May 1995. The Commission collects sales and use tax within the parish of Richland for the parties to the joint agreement. 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. The Commission currently has two employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the nonfiduciary activities of the Richland Parish Tax Commission. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to taxing authorities who benefit from the services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds. The governmental fund (general fund) and the fiduciary or agency fund are reported as separate fund financial statements.

RICHLAND PARISH TAX COMMISSION
State of Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2004

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Richland Parish Tax Commission reports the following governmental funds:

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. The Richland Parish Tax Commission reports the following fiduciary fund:

Agency Fund – accounts 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

RICHLAND PARISH TAX COMMISSION
State of Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2004

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include charges to participating taxing authorities for tax collection services provided.

C. Deposits and Investments

The entity's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Richland Parish Tax Commission's investment policy allow the entity to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

D. Inventories and Prepaid Items

The Richland Parish Tax Commission has no inventories as of June 30, 2004. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

E. Restricted Assets

The cash held in the Agency fund is restricted to cover the deposits held by the fund for the taxing authorities. Any excess due to interest earned is allocated to the taxing authorities participating in the joint collection agreement.

F. Capital Assets

Capital assets, which include property, plant, and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost. The Richland Parish Tax Commission maintains a threshold level of \$50 or more for capitalizing capital assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

RICHLAND PARISH TAX COMMISSION
State of Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2004

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	20 – 40 years
Furniture and fixtures	5 years
Equipment	5 years

G. 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. An employee is entitled to twelve working days leave after completing five years of employment. An employee is entitled to fifteen working days leave after completing ten years of employment. A maximum of ten days unused time and thirty days of unused sick leave may be carried forward to July 1st of the following year. Upon resignation or retirement, annual employees may be compensated for up to ten days of accumulated annual leave and up to twenty days of accumulated sick leave at the employee's current rate of pay.

The liability for unused annual and sick leave payable at June 30, 2004, computed in accordance with GASB Statement No. 16, is estimated to be \$4217. This amount is reported in the statement of Net Assets in the government-wide financial statements. The amount is not reported in the Governmental Fund financial statements.

H. General 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 Richland Parish Tax Commission has no long-term obligations.

RICHLAND PARISH TAX COMMISSION
State of Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2004

I. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

J. 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.

K. Reconciliations of Government-Wide and Fund Financial Statements

The following reconciles the fund balances of governmental funds to the government-wide statement of net assets.

Total Fund Balances at June 30, 2004 – Governmental Funds (Statement C)	\$42,747
Cost of capital assets at June 30, 2004 net of accumulated depreciation	47,841
Compensated absences payable	<u>(4,217)</u>
Net Assets at June 30, 2004	<u>\$86,371</u>

RICHLAND PARISH TAX COMMISSION
State of Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2004

The following reconciles the net changes in fund balance-total governmental funds to the changes in net assets of governmental activities.

Total net change in fund balances – governmental funds (Statement D)	\$16,392
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which depreciation exceeds capital outlays for the period.	(3,882)
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Compensated absences are not recorded in the governmental funds as expenditures until they are actually paid. However, in the Statement of Activities, the amount accruing during the financial statement period is an expense.

This is the difference for the year ended June 30, 2004.	<u>(3,314)</u>
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Change in net assets of governmental activities (Statement B)	<u>\$9,196</u>
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2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGET INFORMATION. The Richland Parish Tax Commission uses the following budget practices:

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. The budget was adopted on April 17, 2003 and amended on October 9, 2003 and April 13, 2004.

RICHLAND PARISH TAX COMMISSION
State of Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2004

The budgetary comparison schedule included in Required Supplemental Information, Part II presents comparisons 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.

3. CASH AND CASH EQUIVALENTS

At June 30, 2004, the district has cash and cash equivalents (book balances) totaling \$48,854 as follows:

Interest-bearing demand deposits	\$ 48,804
Cash on hand	<u>50</u>
Total	<u>\$ 48,854</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, 2004, the Commission has \$58,927 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance.

4. RECEIVABLES

The Commission had no receivables as of June 30, 2004.

RICHLAND PARISH TAX COMMISSION
State of Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2004

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2004, for the primary government is as follows:

Governmental activities:	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets being depreciated				
Buildings	\$ 37,500	\$ -	\$ -	\$ 37,500
Improvements to buildings	3,423	-	-	3,423
Office equipment	34,053	2,401	-	36,454
Furnishings	5,199	-	-	5,199
Total capital assets being depreciated	<u>\$ 80,175</u>	<u>\$ 2,401</u>	<u>\$ -</u>	<u>\$ 82,576</u>
Less accumulated depreciation for:				
Buildings	5,641	638	-	6,279
Improvements to buildings	595	158	-	753
Office equipment	17,042	5,462	-	22,504
Furnishings	5,174	25	-	5,199
Total accumulated depreciation	<u>\$ 28,452</u>	<u>\$ 6,283</u>	<u>\$ -</u>	<u>\$ 34,735</u>
Total assets being depreciated, net	<u>\$ 51,723</u>	<u>\$ (3,882)</u>	<u>-</u>	<u>\$ 47,841</u>

Depreciation expense of \$6,283 for the year ended June 30, 2004, was charged to the following governmental functions:

Tax Collection \$6283

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 district are members of Plan A.

RICHLAND PARISH TAX COMMISSION
State of Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2004

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 60 with at least 10 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, 1980, the benefit is equal to 1 % of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980. Final-average salary is the employee'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 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 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the district is required to contribute at an actuarially determined rate. The current rate is 11.75% 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. 11:103, 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 the years ending June 30, 2004, 2003, and 2002 were \$1,119, \$2,593 and \$2,611, respectively, equal to the required contributions for each year.

7. LITIGATION AND CLAIMS

At June 30, 2004, there was no pending or threatened litigation involving the Richland Parish Tax Commission.

RICHLAND PARISH TAX COMMISSION
State of Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2004

8. RISK MANAGEMENT

The Commission is exposed to various risks 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 and surety bonds to protect against such losses. 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, 2004.

REQUIRED SUPPLEMENTAL INFORMATION

PART II

RICHLAND PARISH TAX COMMISSION
State of Louisiana

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2004

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance Favorable (Unfavorable)
REVENUES				
Intergovernmental Revenues	\$ 119,616	\$ 99,680	\$ 99,680	\$ -
Interest earnings	-	-	108	108
Total revenues	<u>119,616</u>	<u>99,680</u>	<u>99,788</u>	<u>108</u>
EXPENDITURES				
Contracted services - Bookkeeper	31,888	23,767	23,767	-
Contracted services - Administrator	-	11,438	12,659	(1,221)
Dues and subscriptions	756	771	879	(108)
Employee benefits	8,659	7,065	5,643	1,422
Insurance	1,212	1,333	1,333	-
Professional services	7,300	17,502	6,189	11,313
Office supplies and expense	8,750	7,200	6,204	996
Repairs and maintenance	1,100	677	1,644	(967)
Salaries	50,668	17,527	16,412	1,115
Telephone	3,083	3,000	2,924	76
Travel	1,750	670	668	2
Utilities	2,950	2,950	2,673	277
Capital outlay	1,500	3,250	2,401	849
Total expenditures	<u>119,616</u>	<u>97,150</u>	<u>83,396</u>	<u>13,754</u>
EXCESS OF REVENUES OVER EXPENDITURES				
	-	2,530	16,392	13,862
FUND BALANCE AT BEGINNING OF YEAR				
	<u>26,355</u>	<u>26,355</u>	<u>26,355</u>	-
FUND BALANCE AT END OF YEAR				
	<u>\$ 26,355</u>	<u>\$ 28,885</u>	<u>\$ 42,747</u>	<u>\$ 13,862</u>

See accompanying note to budgetary comparison schedule.

RICHLAND PARISH TAX COMMISSION
Rayville, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2004

A proposed budget, prepared on the modified accrual basis of accounting, is prepared by the Administrator of the Richland Parish Tax Commission on or before May 1st of each year. The budget is then legally adopted by the Board of Commissioners and amended during the year, as necessary. If agreement is not reached in adopting the proposed budget by June 15th, fifty percent of the amounts appropriated for the last fiscal year are deemed to be re-appropriated. Appropriations lapse at year-end and must be re-appropriated for the following year to be expended.

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

OTHER SUPPLEMENTAL INFORMATION

PART III

RICHLAND PARISH TAX COMMISSION
State of Louisiana

FIDUCIARY FUND – AGENCY FUND
Statement of Changes in Balances due to Taxing Authorities
For the Year Ended June 30, 2004

Cash held for taxing authorities	<u>\$</u>	<u>3,065</u>
Cash at beginning of year (restricted)	<u>\$</u>	<u>489</u>
Add:		
Tax collections		7,676,644
Interest income		<u>89</u>
		<u>7,676,733</u>
Deduct:		
Remittance to taxing authorities		3,109,030
Richland Parish School Board		2,321,709
Richland Parish Police Jury		777,294
Richland Parish Sheriff's Office		463,893
Town of Delhi		56,347
Town of Mangham		917,310
Town of Rayville		28,174
Revenue Recovery Group		<u>400</u>
Refund of deposit		<u>(7,674,157)</u>
Cash at end of year (restricted)	<u>\$</u>	<u>3,065</u>

The accompanying notes are an integral part of this statement.

Schedule 3

**RICHLAND PARISH TAX COMMISSION
State of Louisiana**

**Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2004**

<u>NAME</u>	<u>AMOUNT</u>
Mayor Jay Lynn Lewis, Town of Delhi	\$ 0
Mayor Harry Lewis, Town of Rayville	0
Charles Germany, Town Clerk of Rayville	0
Zona McKay, Town of Mangham	0
John Sartin, Superintendent of Richland Parish Schools	0
Robert Adams, President of Richland Parish School Board	0
Steve Lofton, Past President of Richland Parish Police Jury	0
Althan Smith, President of Richland Parish Police Jury	0
Kathy Burns, Secretary of Richland Parish Police Jury	0
Sheriff Charles M. McDonald, Sheriff, Richland Parish	<u>0</u>
	<u>\$ 0</u>

The accompanying notes are an integral part of this statement.

**REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
PART IV**

**Independent Auditor's Report Required
by *Government Auditing Standards***

The following independent auditor's report on compliance and internal control over financial reporting is presented in compliance with the requirements of *Governmental Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

Zoe P. Meeks • A Professional Accounting Corporation

217 Benedette Street • Rayville, Louisiana 71269

Zoe P. Meeks
Certified Public Accountant

Ph. 318-728-0007
Fax 318-728-5533

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, 2004, and have issued my report thereon dated October 25, 2004. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental 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.

This report is intended for the information and use of the board of commissioners and management of the *Richland Parish Tax Commission* and the *Legislative Auditor of the State of Louisiana* and is not intended to be and should not be used by anyone other than these specified parties.

Although the intended use of these reports may be limited under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script, appearing to read "Joe P. Meeker".

Rayville, Louisiana
October 25, 2004

**RICHLAND PARISH TAX COMMISSION
State of Louisiana**

**Current Year Findings Recommendations
and Correction Action Plan
For the Year Ended June 30, 2004**

There were no new findings or recommendations for the current year.

**RICHLAND PARISH TAX COMMISSION
State of Louisiana**

**Status of Prior Audit Findings
For the Year Ended June 30, 2004**

<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>
1	6/30/1997	Limited staff precludes adequate segregation	No	None	Not cost beneficial at this time.