

RECEIVED
LEGISLATIVE AUDITOR
2005 JAN -3 AM 10:50

**EVANGELINE PARISH
SALES AND USE TAX COMMISSION**

Financial Report

Year Ended June 30, 2004

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 1-26-05

TABLE OF CONTENTS

	Page
Independent Auditors' Report	1-2
 BASIC FINANCIAL STATEMENTS	
 GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of net assets	5
Statement of activities	6
 FUND FINANCIAL STATEMENTS (FFS)	
Comparative balance sheet - governmental fund	8
Reconciliation of the governmental funds balance sheet to the statement of net assets	9
Comparative statement of revenues, expenditures, and change in fund balance- governmental fund	10
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds	11
Comparative statement of fiduciary assets and liabilities	12
Notes to basic financial statements	13-21
 REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedule: General Fund	23
 OTHER SUPPLEMENTARY INFORMATION	
 OTHER FINANCIAL INFORMATION	
Major Governmental Fund - General Fund - budgetary comparison schedule- expenditures	26
Fiduciary Fund - Comparative statement of changes in assets and liabilities	28
 COMPLIANCE AND INTERNAL CONTROL	
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	30-31
Summary schedule of current and prior year audit findings and corrective action plan	32

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Conrad O. Chapman, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*

P.O. Box 588
Ville Platte, LA 70586

Phone (337) 363-2792
Fax (337) 363-3049

WEB SITE:
WWW.KCSRCPAS.COM

Robert S. Carter, CPA
Allen J. LaBry, CPA
Harry J. Cloistro, CPA
Penny Angele Scruggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
Kelly M. Doucet, CPA
Kenneth J. Rachal, CPA
Cheryl L. Bartley, CPA, CVA

MEMBER OF:

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

* A Professional Accounting Corporation

Members of the Board of Commissioners
Evangeline Parish Sales and Use Tax Commission
Ville Platte, Louisiana

We have audited the accompanying financial statements of the governmental activities, major fund, and the aggregate remaining fund information of the Evangeline Parish Sales and Use Tax Commission (Tax Commission), a component unit of the Evangeline Parish Police Jury, as of and for the year ended June 30, 2004, which collectively comprise the Tax Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Tax Commission. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund, and the aggregate remaining fund information of the Evangeline Parish Sales and Use Tax Commission, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

For the year ended June 30, 2004, the Tax Commission has implemented GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. GASB Statement No. 34 creates new basic financial statements for reporting on the Tax Commission's financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements.

183 South Beadle Road
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

113 East Bridge Street
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

133 East Waddil
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

1234 David Drive, Suite 105
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

408 W. Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

332 W. Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

In accordance with Government Auditing Standards, we have also issued our report dated November 12, 2004, on our consideration of the Tax Commission's internal control over financial reporting and our 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 Governmental Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The required supplementary information on page 23 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Evangeline Parish Sales and Use Tax Commission has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tax Commission's basic financial statements. The accompanying financial information listed as "Other Supplementary Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion on the financial statements of the Evangeline Parish Sales and Use Tax Commission.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
November 12, 2004

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

Evangeline Parish Sales and Use Tax Commission
Ville Platte, Louisiana

Statement of Net Assets
June 30, 2004

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 569,070
Noncurrent assets:	
Capital assets, net	<u>71,769</u>
Total assets	<u>640,839</u>
LIABILITIES	
Current liabilities:	
Accounts and other payables	<u>396</u>
NET ASSETS	
Invested in capital assets	71,769
Unrestricted	<u>568,674</u>
Total net assets	<u>\$ 640,443</u>

The accompanying notes are an integral part of the basic financial statements.

Evangeline Parish Sales and Use Tax Commission
Ville Platte, Louisiana

Statement of Activities
For the Year Ended June 30, 2004

Activities	Expenses	Program Revenues Fees, Fines and Charges for Services	Net (Expense) Revenues and Changes in Net Assets Governmental Activities
Governmental activities:			
General government	<u>\$186,156</u>	<u>\$ 7,047</u>	<u>\$(179,109)</u>
	General revenues:		
		Interest and investment earnings	11,944
		Miscellaneous	<u>51</u>
		Total general revenues and transfers	<u>11,995</u>
		Change in net assets	(167,114)
		Net assets - July 1, 2003	<u>807,557</u>
		Net assets - June 30, 2004	<u>\$ 640,443</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

Evangeline Parish Sales and Use Tax Commission
Ville Platte, Louisiana

Comparative Balance Sheet - Governmental Fund
June 30, 2004 and 2003

	General Fund	
	<u>2004</u>	<u>2003</u>
ASSETS		
Interest-bearing deposits	<u>\$ 569,070</u>	<u>\$ 772,362</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 396	\$ 3,255
Fund balance:		
Unreserved, undesignated	<u>568,674</u>	<u>769,107</u>
Total liabilities and fund balance	<u>\$ 569,070</u>	<u>\$ 772,362</u>

The accompanying notes are an integral part of the basic financial statements.

Evangeline Parish Sales and Use Tax Commission
Ville Platte, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Assets
June 30, 2004

Total fund balance for the governmental fund at June 30, 2004		\$ 568,674
Cost of capital assets at June 30, 2004	\$ 94,965	
Less: Accumulated depreciation	<u>(23,196)</u>	<u>71,769</u>
Total net assets of governmental activities at June 30, 2004		<u>\$ 640,443</u>

The accompanying notes are an integral part of the basic financial statements.

Evangeline Parish Sales and Use Tax Commission
Ville Platte, Louisiana

Comparative Statement of Revenues, Expenditures, and Change in Fund Balance -
Governmental Fund
For the Years Ended June 30, 2004 and 2003

	General Fund	
	2004	2003
Revenues:		
Sales tax collection fees	\$ 7,047	\$ 262,751
Interest income	11,944	10,322
Miscellaneous	51	-
Total revenues	19,042	273,073
Expenditures:		
Current -		
General government:		
Personnel services and related benefits	127,359	121,610
Operating services	36,444	32,228
Material and supplies	14,160	17,882
Capital outlay	41,512	10,584
Total expenditures	219,475	182,304
Net change in fund balance	(200,433)	90,769
Fund balance, beginning of year	769,107	678,338
Fund balance, end of year	\$ 568,674	\$ 769,107

The accompanying notes are an integral part of the basic financial statements.

Evangeline Parish Sales and Use Tax Commission
Ville Platte, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Change in Fund Balance of Governmental Fund
to the Statement of Activities
For the Year Ended June 30, 2004

Total net change in fund balance for the year ended June 30, 2004 per Statement of Revenues, Expenditures and Change in Fund Balance			(\$200,433)
Add: Capital outlay costs which are considered as expenditures on Statement	\$ 41,512		
Less: Depreciation expense for year ended June 30, 2004	<u>(7,994)</u>	33,518	
Because governmental funds do not record fixed assets and accumulated depreciation, any assets disposed of with no selling price does not affect the statement of revenues, expenditures, and changes in fund balance. However, in the statement of activities, a gain or loss is shown on assets that are not fully depreciated.			<u>(199)</u>
Total change in net assets for the year ended June 30, 2004 per Statement of Activities			<u>\$ (167,114)</u>

The accompanying notes are an integral part of the basic financial statements.

Evangeline Parish Sales and Use Tax Commission
Ville Platte, Louisiana

Comparative Statement of Fiduciary Assets and Liabilities
June 30, 2004 and 2003

	<u>Agency Fund</u>	
	<u>2004</u>	<u>2003</u>
ASSETS		
Interest-bearing deposits	<u>\$ 20,530</u>	<u>\$ 21,524</u>
LIABILITIES		
Due to taxing bodies and others	<u>\$ 20,530</u>	<u>\$ 21,524</u>

The accompanying notes are an integral part of the basic financial statements.

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Evangeline Parish Sales and Use Tax Commission (Tax Commission) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsection of this note. For the fiscal year ended June 30, 2004, the Tax Commission implemented the new financial reporting requirements of GASB Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. As a result, an entirely new financial presentation format has been implemented.

Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 and to the industry audit guide, Audits of State and Local Governments.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

The Evangeline Parish Sales and Use Tax Commission (hereafter referred to as the “Commission”) has been created by and in accordance with the provisions of Article VII, Section 3 of the Louisiana Constitution, and LSA-R.S. 33:2844.1 for the purpose of administering, collecting and enforcing the collection of the sales and use taxes of the taxing authorities of Evangeline Parish.

The Commission is governed by a Board of Commissioners composed of nine members that consists of one representative from each political subdivision within the parish which levies a sales and use tax.

For financial reporting purposes, the Evangeline Parish Sales and Use Tax Commission includes all funds and account groups which are controlled by or dependent on the Board of Commissioners. The Board of Commissioners are solely responsible for the operations which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds.

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, which are considered to be governmental activities. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Tax Commission's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The accounts of the Tax Commission are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Tax Commission are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major governmental. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

The major fund of the Tax Commission is described below:

Governmental Fund -

General Fund

The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the Tax Commission and is used to account for the operations of the Tax Commission's office. The various fees and charges due to the Tax Commission's office are accounted for in this fund. General operating expenditures are paid from this fund.

Additionally, the Tax Commission reports the following fund type:

Fiduciary Fund -

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of other funds within the Tax Commission. The fund accounted for in this category by the Tax Commission is the agency fund. The agency fund is as follows:

Sales Tax Collection Fund – accounts for the collection and distribution of sales taxes for the taxing authority of Evangeline Parish.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net assets and the statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. The governmental fund utilizes a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

- b. The government-wide financial statement utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net assets.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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. Revenues are classified by source and expenditures are classified by function and character. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

D. Assets, Liabilities and Equity

Cash and interest-bearing deposits

For purposes of the statement of net assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Tax Commission.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Tax Commission maintains a threshold level of \$500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Furniture, fixtures and equipment	5-10 years
Buildings and other improvements	10-20 years

Compensated Absences

Employees of the Commission's office earn vacation leave of six days the first year of employment, ten days from the second to the eighth year of service, and fifteen days thereafter, with a carryover of five days allowed. An equal amount of sick pay is allowed with an unlimited carryover. Sick leave does not vest. Any liability the Commission may have regarding this matter at June 30, 2004 is considered immaterial.

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

E. Budgetary and Budgetary Accounting

A budget for the general fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Tax Commission. Such amendments were not material in relation to the original appropriations.

F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires 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 and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Changes in Accounting Principles

For the year ended June 30, 2004, the Tax Commission has implemented GASB Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. GASB Statement No. 34 creates new basic financial statements for reporting on the Tax Commission’s financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements.

The implementation of GASB Statement No. 34 caused the opening fund balance at June 30, 2003 to be restated in terms of “net assets” as follows:

Total fund balance - Governmental Fund - at June 30, 2003		\$ 769,107
Add: Cost of capital assets at June 30, 2003	\$ 55,441	
Less: Accumulated depreciation at June 30, 2003	<u>(16,991)</u>	<u>38,450</u>
Net assets at June 30, 2003		<u>\$ 807,557</u>

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

(3) Cash and Interest-Bearing Deposits

Under state law, the Tax Commission may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Tax Commission may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2004, the Tax Commission has cash and cash equivalents (book balances) totaling \$589,600 as follows:

	Governmental Activities	Fiduciary Fund	Total
Interest-bearing deposits	<u>\$ 569,070</u>	<u>\$ 20,530</u>	<u>\$ 589,600</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 bank. 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. The following is a summary of deposit balances (bank balances) at June 30, 2004, and the related federal insurance and pledged securities:

Bank balances	<u>\$ 1,567,274</u>
Federal insurance	\$ 100,000
Pledged securities (Category 3)	<u>1,467,274</u>
Total federal insurance and pledged securities	<u>\$ 1,567,274</u>

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Tax Commission's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Tax Commission that the fiscal agent has failed to pay deposited funds upon demand.

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

(4) Capital Assets

Capital asset balances and activity for the year ended June 30, 2004 is as follows:

	<u>Balance</u> <u>07/01/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2004</u>
Furniture, fixtures and equipment	\$ 24,805	\$ 41,512	(1,988)	\$ 64,329
Building and other improvements	<u>30,636</u>	<u>-</u>	<u>-</u>	<u>30,636</u>
Totals	55,441	41,512	(1,988)	94,965
Less: Accumulated depreciation	<u>(16,991)</u>	<u>(7,994)</u>	<u>1,789</u>	<u>(23,196)</u>
Net capital assets	<u>\$ 38,450</u>	<u>\$ 33,518</u>	<u>\$ (199)</u>	<u>\$ 71,769</u>

Depreciation expense of \$7,994 was charged to the general government function.

(5) Pension Plan

All employees of the Evangeline Parish Sales and Use Tax Commission are members of the Social Security System. The Commission and its employees contribute a percentage of each employee's salary to the system (7.65% contributed by the Commission; 7.65% contributed by the employee). The commission's contribution during the year ended June 30, 2004 amounted to \$8,004.

Employees of the Evangeline Parish Sales and Use Tax Commission may participate in a "SIMPLE" retirement plan in accordance with Internal Revenue Code Section 401(K)11 and 408 (P). Under this plan, which is treated as an IRA for most purposes, the employer makes payments as a contribution (not exceeding 3% of employee's compensation) to the Simple account. Elective contributions are limited to \$6,000 for any calendar year. The Commission's contribution during the year ended June 30, 2004 amounted to \$3,139.

(6) Risk Management

The Tax Commission is exposed to risks of loss in the areas of general liability and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

(7) Compensation Paid to Board Members

Board members received per diem for fiscal year end June 30, 2004 as follows:

Dale Reed	\$ 3,600
Leon Estes	800
Russell Manuel	800
Blain Janet	800
Herman Malveaux	600
Terrel McCauley	200
Tom Ardoin	400
Berline Boone	800
James Fontenot	600
Lucy Green	200
Wilda Chamberlain	200
Terry Savant	200
Peggy Foreman	400
	<u>\$ 9,600</u>

(8) Litigation

There is no litigation pending against the Tax Commission at June 30, 2004.

(9) Subsequent Event

Upon approval of the Members of the Sales and Use Tax Commission Board, the 2% sales tax collection fee was reinstated, effective July 1, 2004.

**REQUIRED
SUPPLEMENTARY INFORMATION**

Evangeline Parish Sales and Use Tax Commission
 Ville Platte, Louisiana
 General Fund

Budgetary Comparison Schedule
 For the Year Ended June 30, 2004
 With Comparative Actual Amounts for the Year Ended June 30, 2003

	2004			Variance - Positive (Negative)	2003 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Sales tax collection fees	\$ -	\$ -	\$ 7,047	\$ 7,047	\$ 262,751
Interest income	10,000	10,000	11,944	1,944	10,322
Miscellaneous	-	-	51	51	-
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>19,042</u>	<u>9,042</u>	<u>273,073</u>
Expenditures:					
Current -					
General government:					
Personnel services and related benefits	130,200	130,200	127,359	2,841	121,610
Operating services	45,200	45,200	36,444	8,756	32,228
Material and supplies	32,100	32,100	14,160	17,940	17,882
Capital outlay	50,000	50,000	41,512	8,488	10,584
Total expenditures	<u>257,500</u>	<u>257,500</u>	<u>219,475</u>	<u>38,025</u>	<u>182,304</u>
Excess (deficiency) of revenues over expenditures	(247,500)	(247,500)	(200,433)	47,067	90,769
Fund balance, beginning of year	<u>769,107</u>	<u>769,107</u>	<u>769,107</u>	-	<u>678,338</u>
Fund balance, end of year	<u>\$ 521,607</u>	<u>\$ 521,607</u>	<u>\$ 568,674</u>	<u>\$ 47,067</u>	<u>\$ 769,107</u>

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

Evangeline Parish Sales and Use Tax Commission
Ville Platte, Louisiana
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2004
With Comparative Actual Amounts for the Year Ended June 30, 2003

	2004			Variance - Positive (Negative)	2003 Actual
	Budget		Actual		
	Original	Final			
Expenditures:					
Current -					
Personnel services and related benefits -					
Salaries	106,000	106,000	104,622	1,378	\$ 98,915
Payroll taxes	8,500	8,500	8,259	241	7,798
Retirement	3,200	3,200	3,139	61	2,967
Health benefits	<u>12,500</u>	<u>12,500</u>	<u>11,339</u>	<u>1,161</u>	<u>11,930</u>
Total personnel services and related benefits	<u>130,200</u>	<u>130,200</u>	<u>127,359</u>	<u>2,841</u>	<u>121,610</u>
Operating services -					
Insurance	2,200	2,200	1,685	515	1,947
Professional fees	11,000	11,000	8,056	2,944	4,152
Telephone	4,300	4,300	4,488	(188)	3,698
Travel	8,500	8,500	5,411	3,089	5,787
Utilities	3,500	3,500	2,636	864	2,749
Per diem	10,000	10,000	9,600	400	10,000
Outside services	-	-	1,500	(1,500)	1,500
Workers' compensation	700	700	984	(284)	599
Miscellaneous	<u>5,000</u>	<u>5,000</u>	<u>2,084</u>	<u>2,916</u>	<u>1,796</u>
Total operating services	<u>45,200</u>	<u>45,200</u>	<u>36,444</u>	<u>8,756</u>	<u>32,228</u>
Materials and supplies -					
Office supplies	7,800	7,800	5,974	1,826	10,342
Postage	8,000	8,000	6,447	1,553	6,065
Repairs	16,300	16,300	628	15,672	1,339
Uniforms	-	-	1,111	(1,111)	136
Total materials and supplies	<u>32,100</u>	<u>32,100</u>	<u>14,160</u>	<u>17,940</u>	<u>17,882</u>
Capital outlay	<u>50,000</u>	<u>50,000</u>	<u>41,512</u>	<u>8,488</u>	<u>10,584</u>
Total expenditures	<u>\$257,500</u>	<u>\$257,500</u>	<u>\$219,475</u>	<u>\$38,025</u>	<u>\$182,304</u>

FIDUCIARY FUND

Sales Tax Collection Fund

To account for the collection and distribution of sales taxes for the taxing authority of Evangeline Parish.

Evangeline Parish Sales and Use Tax Commission
 Ville Platte, Louisiana
 Agency Fund

Comparative Statement of Changes in Assets and Liabilities
 For the Years Ended June 30, 2004 and 2003

	2004	2003
ASSETS		
Balances, beginning of year	\$ 21,524	\$ 26,270
Additions:		
Sales tax collections	11,822,564	11,894,344
Interest earned for General Fund	3,684	1,112
Total additions	11,826,248	11,895,456
Total	11,847,772	11,921,726
Reductions:		
Transfer to taxing bodies	11,820,195	11,637,451
Sales tax collection fee	7,047	262,751
Total reductions	11,827,242	11,900,202
Balances, end of year	\$ 20,530	\$ 21,524
LIABILITIES		
Due to taxing bodies and others, beginning of year	\$ 21,524	\$ 26,270
Additions	11,826,248	11,895,456
Reductions	11,827,242	11,900,202
Due to taxing bodies and others, end of year	\$ 20,530	\$ 21,524

**COMPLIANCE
AND
INTERNAL CONTROL**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Conrad O. Chapman, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*

P.O. Box 588
Ville Platte, LA 70586

Phone (337) 363-2792
Fax (337) 363-3049

WEB SITE:
WWW.KCSRPCAS.COM

Robert S. Carter, CPA
Allen J. LaBry, CPA
Harry J. Clostio, CPA
Penny Angella Scruggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
Kelly M. Doucet, CPA
Kenneth J. Rachal, CPA
Cheryl L. Bartley, CPA, CVA

MEMBER OF:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

* A Professional Accounting Corporation

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Members of the Board of Commissioners
Evangeline Parish Sales and Use Tax Commission
Ville Platte, Louisiana

We have audited the financial statements of the governmental activities, major fund and the aggregate remaining fund information of the Evangeline Parish Sales and Use Tax Commission, a component unit of the Evangeline Parish Police Jury, as of and for the year ended June 30, 2004, which collectively comprise the Tax Commission's basic financial statements and have issued our report thereon dated November 12, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Evangeline Parish Sales and Use Tax Commission's financial statements are free of material misstatement, we 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 our audit, and accordingly, we do not express such an opinion. The results of our 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 our audit, we considered the Evangeline Parish Sales and Use Tax Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. Our 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 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be **material weaknesses**.

183 South Beadle Road
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

113 East Bridge Street
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

133 East Waddill
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

1234 David Drive, Suite 105
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

408 W. Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

332 W. Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

This report is intended solely for the information and use of management of the Evangeline Parish Sales and Use Tax Commission and is not intended to be and should not be used by anyone other than this specified party. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
November 12, 2004

Evangeline Parish Sales and Use Tax Commission
 Ville Platte, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
 and Corrective Action Plan
 Year Ended June 30, 2004

Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Completion Date
---	------------------------	-------------------------------	---------------------------	------------------------------	--------------------

CURRENT YEAR (6/30/04) --

There were no findings noted for fiscal year end 6/30/04.

PRIOR YEAR (06/30/03) --

There were no findings noted for fiscal year end 6/30/03.