Webster Parish Sales and Use Tax Commission
Minden, Louisiana

Annual Financial Report

December 31, 2022

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Annual Financial Report
As of and for the Year Ended December 31, 2022

TABLE OF CONTENTS

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TABLE OF CONTENTS

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INDEPENDENT AUDITORS' REPORT

To the Board Members of the
Webster Parish Sales and Use Tax Commission
Minden, Louisiana

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, major fund and the aggregate remaining fund information of the Webster Parish Sales and Use Tax Commission, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Webster Parish Sales and Use Tax Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund and the aggregate remaining fund information of the Webster Parish Sales and Use Tax Commission, as of and for the year ended December 31, 2022, and the respective changes in financial position and the respective budgetary comparison for the General fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As described in Note 18 to the financial statements, the Commission adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibility for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Webster Parish Sales and Use Tax Commission's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Webster Parish Sales and Use Tax Commission's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in the Total OPEB Liability and Related Ratios, Schedule of Proportionate Share of Net Pension Liability, and Schedule of Employer Contributions on pages 5-10 and 57-62 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Webster Parish Sales and Use Tax Commission's basic financial statements. The accompanying supplementary information, as 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.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated June 28, 2023, on our consideration of the Webster Parish Sales and Use Tax Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Webster Parish Sales and Use Tax Commission's internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Wise Martin & Cole LLC

Minden, Louisiana
June 28, 2023

REQUIRED SUPPLEMENTARY INFORMATION
(PART I)

MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)

Webster Parish Sales and Use Tax Commission
Management's Discussion and Analysis (MD&A)
December 31, 2022

Our discussion and analysis of the Webster Parish Sales and Use Tax Commission's (the Commission) financial performance provides an overview of the Commission's financial activities for the fiscal year ended December 31, 2022.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operations:

- The Commission's net position increased by $164,101.
- As of the close of the current fiscal year, the unrestricted net position of the Commission reported a deficit of $(15,765).
- The Commission's program revenues for the year ended December 31, 2022 were $528,139 comparable to prior year amounts of $506,501.
- Cash sales tax collections in 2022 were greater than last year by $1,719,208.

USING THIS ANNUAL REPORT

The Commission's annual report consists of a series of financial statements that show information for the Commission as a whole, and its funds. The Statement of Net Position and the Statement of Activities provide information about the activities of the Commission as a whole and present a longer-term view of the Commission's finances. For our governmental activities, the fund financial statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the Commission's overall financial health. Fund financial statements also report the Commission's operations in more detail than the government-wide financial statements by providing information about the Commission's General fund.

Our auditor has provided assurance in the Independent Auditors' Report, located immediately preceding this Management's Discussion and Analysis, that the basic financial statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the required supplementary information and the supplementary information. A user of this report should read the Independent Auditors' Report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

Reporting the Webster Parish Sales and Use Tax Commission as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the Commission as a whole begins with the government-wide financial statements. One of the most important questions asked about the Commission's finances is, "Is the Webster Parish Sales and Use Tax Commission as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities, which appear first in the Commission's financial statements, report information about the Webster Parish Sales and Use Tax as a whole and its activities in a way that helps answer this question. We prepare these statements to include all assets, liabilities, and deferred inflows/outflows of resources, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Commission's net position - the difference between assets, liabilities, and deferred inflows/outflows as reported in the Statement of Net Position - as one way to measure the Commission's financial health, or financial position. Over time, increases or decreases in the Commission's net position as reported in the Statement of Activities are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the Commission's operating results. However, the Commission's goal is to increase sales tax collections and decrease operating expense.

In the Statement of Net Position and the Statement of Activities, the Commission's activities are shown as:

Governmental Activities - All of the Commission's basic services are reported here, including salaries and contract labor, employee benefits, professional fees, operations and maintenance, repairs and upkeep, and administrative expenses. Sales tax collection fee revenue finances these activities.

Reporting the Webster Parish Sales and Use Tax Commission's Most Significant Funds

Fund Financial Statements

The Commission reports all of its activity in one governmental fund which uses the following approach:

Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Commission's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Commission's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliations (Statements D and F).

The Commission as Trustee

The Commission is the trustee, or fiduciary, for the collections of sales tax and occupational license fees. The Commission's fiduciary activities are reported on Statement of Fiduciary Net Position and Statement of Change in Fiduciary Net Position on pages 19-20. We exclude these activities from the Commission's other financial statements because the Commission cannot use these assets to finance its operations. The Commission is responsible for ensuring that the assets are reported in these funds are used for their intended purpose.

THE WEBSTER PARISH SALES AND USE TAX COMMISSION AS A WHOLE

Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Commission's governmental activities.

Table 1
Net Position

	2022	2021	Change
Current and other assets	$ 877,095	$ 803,162	$ 73,933
Capital assets, net of depreciation	57,284	24,069	33,215
Total assets	934,379	827,231	107,148
Deferred outflows	159,827	150,411	9,416
Other liabilities	17,989	11,150	6,839
Long-term liabilities	568,185	883,214	(315,029)
Total liabilities	586,174	894,364	(308,190)
Deferred inflows	523,797	263,144	260,653
Net Position			
Net investment in capital assets	19,656	24,069	(4,413)
Unrestricted	(35,421)	(203,935)	168,514
Total net position	$ (15,765)	$ (179,866)	$ 164,101

Net position of the Commission's governmental activities for December 31, 2022 was a deficit of $(15,765). Unrestricted net position that is the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements was $(35,421).

Table 2
Changes in Net Position

Revenues:	2022	2021	Charge
Program revenues			
Charges for services	$ 525,964	$ 505,001	$ 20,963
Operating grants/contributions	2,175	1,500	675
General revenues			
Interest earned	5,782	908	4,874
Total revenues	533,921	507,409	26,512
Expenses:			
General government			
Office expense	46,589	81,452	(34,863)
Personnel services	213,018	265,500	(52,482)
Insurance expense	4,195	4,061	134
Legal and audit expense	46,030	24,446	21,584
Travel expense	5,264	2,123	3,141
Utilities	9,581	8,197	1,384
Maintenance and repairs	4,233	1,953	2,280
Depreciation	39,329	6,667	32,662
Debt service	1,581	-	1,581
Total expenses	369,820	394,399	(24,579)
Change in net position	164,101	113,010	51,091
Net position, beginning	(179,866)	(292,876)	113,010
Net position, ending	$ (15,765)	$ (179,866)	$ 164,101

Governmental Activities

This year's revenues increased by approximately $26,000 largely due to a $21,000 increase in collection fees and $5,000 increase in interest revenue.

The cost of all governmental activities this year was $369,820, which was $24,579 less than last year's program expenses of $394,399. As detailed above in Table 2, the major areas of decrease occurred in personnel services and office expenses. Personnel services decreased because of the decrease in health insurance due to changes in OPEB. Office expenses decreased due to the changes in lease recognition due to GASB 87. Several expenses increased during the year, including depreciation, travel expenses, and legal and audit expenses.

THE WEBSTER PARISH SALES AND USE TAX COMMISSION'S FUNDS

As the Commission completed the year, its governmental funds reported a fund balance of $859,106, reporting an increase of $67,094, over the prior year fund balance of $792,012.

Total revenues received for the year ended December 31, 2022 were approximately $532,000, which was approximately $26,000 more than last year's revenues.

Total expenditures for the year ended December 31, 2022, increased by approximately $120,000 compared to prior year's expenditures. Capital outlay increased by $72,000 due to changes for lease recognition under GASB 87. Professional services increased by $21,000 due to an increase in legal fees. Personnel services increased by $22,000 due to an increase in salaries and retirement expenses. Travel expenses and repair and maintenance increased by approximately $5,000.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Commission made one amendment to the original 2022 budget. The amendments to the budget increased the proposed revenue for collection fees and proposed expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

At December 31, 2022, the Commission had $57,284 invested in capital assets, including equipment and leased assets. This amount represents a net increase (including additions, deductions, depreciation and amortization of leased assets) of $33,215, or 138% of last year.

	2022	2021	Change
Equipment	$ 20,188	$ 24,069	$ (3,881)
Leased equipment	1,214	-	1,214
Leased building	35,882	-	35,882
Capital assets, net	$ 57,284	$ 24,069	$ 33,215

2022 additions in equipment included the purchase of security cameras. The Commission implemented GASB 87, which recognized lease agreements as lease assets of equipment and buildings in the year of implementation.

DEBT

The Commission has been able to operate without obtaining debt. See Notes 6, 7 and 8 for further details on the long-term obligations of the Commission.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

Our elected and appointed officials and citizens consider many factors when setting the Webster Parish Sales and Use Tax Commission's budget and tax rates. One of the most important factors affecting the budget is sales tax collections. Sales tax collection fees make up the majority of our total revenues. We have budgeted little change in revenue and expenditures for the year ending December 31, 2023.

CONTACTING THE SALES AND USE TAX COMMISSION'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Commission's finances and to show accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Ms. Cyndy Herrington, Administrator, P.O. Box 357, Minden, LA 71058-0357 or call (318) 377-8948.

BASIC FINANCAL STATEMENTS

WEBSTER PARISH SALES AND USE TAX COMMISSION

Statement of Net Position
December 31, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 524,330
Investments	281,923
Accounts receivable	62,708
Prepaid assets	8,134
Capital assets, net	57,284
TOTAL ASSETS	934,379
DEFERRED OUTFLOWS	
Deferred outflows on pension	105,924
Deferred outflows on OPEB	53,903
TOTAL DEFERRED OUTFLOWS	159,827
LIABILITIES	
Accounts payable, salaries and other payables	17,989
Long term liabilities	
Due within one year	43,655
Due in more than year	22,342
OPEB liability	240,207
Net pension liability	261,981
TOTAL LIABILITIES	586,174
DEFERRED INFLOWS	
Deferred inflows on pension	114,201
Deferred inflows on OPEB	409,596
	523,797
NET POSITION	
Invested in capital assets, net of related debt	19,656
Unrestricted	(35,421)
TOTAL NET POSITION	$ (15,765)

The notes to the financial statements are an integral part of this statement.

WEBSTER PARISH SALES AND USE TAX COMMISSION

Statement of Activities
For the Year Ended December 31, 2022

Functions/Programs	Expenses	Program revenues: Charges for services	Program revenues: Operating grants and contributions	Net (Expenses) Revenue: Governmental Activities
Governmental activities:				
General government	$ 368,239	$ 525,964	$ 2,175	$ 159,900
Interest on long-term debt	1,581	-	-	(1,581)
Total governmental activities	369,820	525,964	2,175	158,319
Total	$ 369,820	$ 525,964	$ 2,175	$ 158,319

General revenues:	
Interest	5,782
Total general revenues	5,782
Change in net position	164,101
Net position - beginning	(179,866)
Net position - ending	$ (15,765)

The notes to the financial statements are an integral part of this statement.

WEBSTER PARISH SALES AND USE TAX COMMISSION

Balance Sheet - Governmental Fund
December 31, 2022

	General Fund
ASSETS	
Cash	$ 524,330
Investments	281,923
Receivables	62,708
Prepaid items	8,134
TOTAL ASSETS	$ 877,095
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	$ 17,989
TOTAL LIABILITIES	17,989
FUND BALANCE	
Nonspendable - prepaid items	8,134
Unassigned	850,972
TOTAL FUND BALANCE	859,106
TOTAL LIABILITIES AND FUND BALANCE	$ 877,095

The notes to the financial statements are an integral part of this statement.

WEBSTER PARISH SALES AND USE TAX COMMISSION

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
December 31, 2022

Fund balance - total governmental fund (Statement C)	$ 859,106
Capital assets used in governmental activities are not financial resources; therefore, are not reported in the funds.	57,284
Deferred outflows relating to deferred amounts on pensions and other postemployment benefits are not financial resources; therefore, are not reported in the funds.	159,827
Long-term liabilities, including compensated absences payable, pension and other postemployment obligations are not due and payable in the current period; therefore, are not reported in the funds.	(568,185)
Deferred inflows related to pensions and other postemployment benefits represent a future acquisition of net position that is not reported in the funds.	(523,797)
Net position of governmental activities (Statement A)	$ (15,765)

The notes to the financial statements are an integral part of this statement.

WEBSTER PARISH SALES AND USE TAX COMMISSION

Governmental Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2022

	General Fund
REVENUES	
Collection fees	$ 525,230
Interest	5,782
Other	734
TOTAL REVENUES	531,746
EXPENDITURES	
Current -	
General government:	
Office expense	46,589
Personnel services	312,262
Insurance expense	4,195
Legal and audit expense	46,030
Travel expense	5,264
Utilities	9,581
Maintenance and repairs	4,233
Capital outlay	72,545
Debt service:	
Lease principal payments	31,837
Lease interest	1,581
TOTAL EXPENDITURES	534,117
Excess (deficiency) of revenues over expenditures	(2,371)
OTHER FINANCING SOURCES (USES)	
Financing for leases	69,465
TOTAL OTHER FINANCING SOURCES (USES)	69,465
Net change in fund balance	67,094
FUND BALANCE - BEGINNING	792,012
FUND BALANCE - ENDING	$ 859,106

The notes to the financial statements are an integral part of this statement.

WEBSTER PARISH SALES AND USE TAX COMMISSION

Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities
For the Year Ended December 31, 2022

Net change in fund balance, governmental fund (Statement E)		$ 67,094
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 capital outlays exceed depreciation and amortization expense in the current period.		
Capital outlays	$ 72,545	
Depreciation and amortization	(39,330)	33,215
In the Statement of Activities, certain operating expenses, such as compensated absences (vacations and sick leave) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).		(3,642)
The repayment of principal of long-term debt for lease liability consumes current financial resources of governmental funds.		(37,628)
The recognition of pension expense in the Statement of Activities is based on projected benefit payments discounted to actuarial present value and attributed to periods of employee service. Pension expenditures in the fund financial statements are the amounts actually paid.		48,066
The Statement of Activities reflects the effects of other post-employment benefits, which is based on an actuarial amount that is increased over an amortized period and decreased for amounts actually paid during the year. The governmental fund reflects only the payments made as current year expenditures. This year, the change in OPEB liability was:		56,996
Change in net position of governmental activities (Statement B)		$ 164,101

The notes to the financial statements are an integral part of this statement.

WEBSTER PARISH SALES AND USE TAX COMMISSION

General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
Collection fees	$ 475,008	$ 499,800	$ 525,230	$ 25,430
Interest	-	-	5,782	5,782
Other	-	-	734	734
Total Revenues	475,008	499,800	531,746	31,946
Expenditures:				
General government:				
Office expense	88,368	86,079	46,589	39,490
Personnel services	310,149	313,871	312,262	1,609
Insurance expense	3,900	4,500	4,195	305
Legal and audit expense	34,011	40,500	46,030	(5,530)
Travel expense	3,000	5,220	5,264	(44)
Utilities	9,600	9,876	9,581	295
Maintenance and repairs	5,700	4,920	4,233	687
Software and technology expense	600	300	-	300
Capital outlay	4,680	3,840	72,545	(68,705)
Debt service:				
Lease principal payments	-	-	31,837	(31,837)
Lease interest	-	-	1,581	(1,581)
Total Expenditures	460,008	469,106	534,117	(65,011)
Excess (deficiency) of revenues over expenditures	15,000	30,694	(2,371)	(33,065)
Other financing sources (uses):				
Financing for leases	-	-	69,465	69,465
Total other financing sources (uses)	-	-	69,465	69,465
Excess (deficiency) of revenues and other sources over expenditures and other uses	15,000	30,694	67,094	36,400
Fund balances at beginning of year	665,713	792,012	792,012	-
Fund balances at end of year	$ 680,713	$ 822,706	$ 859,106	$ 36,400

The notes to the financial statements are an integral part of this statement.

WEBSTER PARISH SALES AND USE TAX COMMISSION

Fiduciary Fund
Statement of Fiduciary Net Position
December 31, 2022

	Custodial Fund
ASSETS	
Cash	$ 258,389
Due from other governmental agencies	25
Sales tax receivable	3,802,619
TOTAL ASSETS	4,061,033
LIABILITIES	
Sales tax paid under protest	258,414
Due to other governmental agencies	3,802,619
TOTAL LIABILITIES	$ 4,061,033
NET POSITION	
Restricted for individuals, organizations and other governments	-
TOTAL NET POSITION	$ -

The notes to the financial statements are an integral part of this statement.

WEBSTER PARISH SALES AND USE TAX COMMISSION

Fiduciary Fund
Statement of Change in Fiduciary Net Position
December 31, 2022

	Custodial Fund
ADDITIONS	
Sales tax collection	$ 37,260,387
Occupational license collection	276,563
TOTAL ADDITIONS	37,536,950
DEDUCTIONS	
Payments of sales tax to governments	$ 37,129,110
Payments of occupational license tax to governments	276,563
Payments for audit and attorney fees	38,822
Refunds to individuals	92,455
TOTAL DEDUCTIONS	37,536,950
Net decrease in fiduciary net position	-
Net position - beginning	-
Net position - ending	$ -

The notes to the financial statements are an integral part of this statement.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Commission (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.

A. REPORTING ENTITY

The Commission was formed under joint agreement of the City of Minden, the City of Springhill, the Town of Cotton Valley, the Town of Cullen, the Town of Sarepta, the Town of Sibley, the Village of Dixie Inn, the Webster Parish School Board, and the Webster Parish Police Jury, in accordance with Louisiana Revised Statutes 33:2844, to provide centralized sales tax collection within Webster Parish. The Commission is currently comprised of twelve members, one appointed by each taxing body. Taxing bodies added after the original commission was formed, include the Webster Parish Sheriff, Village of Doyline, and Webster Parish Convention and Visitors Commission, each with representation on the Commission. Each Commissioner will have one vote. Commissioners serve without compensation.

The Commission is considered a primary government, since it is a special purpose government that has a separately appointed governing body, is legally separate, and is fiscally independent of other state or local governments. Fiscally independent means that the Commission may, without the approval or consent of another governmental entity, determine or modify its own budget, set its own rates or charges, and issue bonded debt. The Commission also has no component units as other legally separate organizations for which the appointed Commission members are financially accountable.

B. FUNDS

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

Funds of the Commission are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types.

The fund and a description of each existing fund type follow:

Governmental Funds
Governmental funds are used to account for the Commission's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition of capital assets, and the servicing of long-term debt.

Governmental funds include the General fund which is the primary operating fund of the Commission. It accounts for all financial resources of the Commission, except those required to be accounted for in another fund.

Fiduciary Funds
The Fiduciary funds consist of Custodial funds. Custodial funds account for assets held by the Commission as an agent for various local governments and individuals. The Commission's Custodial funds include:

- Sales Tax Collection Custodial fund - accounts for sales tax monies collected on behalf of other taxing authorities within the parish.

- Occupational Tax Collection Custodial fund - accounts for occupational tax monies collected on behalf of the Webster Parish Police Jury.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS)
The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. The Statement of Net Position and the Statement of Activities was prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities and deferred inflows/outflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, liabilities and deferred inflows/outflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Non-exchange Transactions." Fiduciary funds are not included in the government-wide financial statements.

Program revenues Program revenues include 1) charges for services provided and 2) operating grants and contributions. Program revenues reduce the cost of the function to be financed from the Commission's general revenues. Charges for services are primarily derived from collection fees of 1.4% of amounts collected. Operating grants and contributions consist of non-employer contributions to the pension plan.

Allocation of indirect expenses Indirect expenses not allocated to functions are reported separately in the Statement of Activities. The Commission reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Although separately reported on the Statement of Activities, depreciation expense is considered a direct expense of the general government.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources when expenses are incurred for which both restricted and unrestricted net position are available.

Fund Financial Statements (FFS)

Governmental Funds 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 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 30 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 governmental funds use the following practices in recording revenues and expenditures:

Revenues

- Fees for the collection of sales and use taxes are considered susceptible to accrual.
- Interest income is recorded monthly as interest is earned.
- Other revenues are considered measurable and available only when cash is received by the Commission.

Expenditures

Salaries are recorded as earned.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as long-term lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Fiduciary Funds The Custodial fund is custodial in nature and does not present results of operations or have a measurement focus. Custodial funds are accounted for using the accrual basis of accounting.

D. DEPOSITS AND INVESTMENTS

Cash includes amounts in demand deposits and interest-bearing demand deposits, and time deposit accounts. 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 and national banks having their principal offices in Louisiana.

Investments are limited by LSA-R.S. 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure as per GASB Statement No. 31.

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the Statement of Net Position at the end of each reporting period. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At year end, the Commission investment balances were as follows:

Type of Investment	Level 2
Louisiana Asset Management Pool (LAMP)	$ 281,923

The Commission participates in the Louisiana Asset Management Pool, Inc. (LAMP) which is an external investment pool that is not SEC-registered. Because LAMP is an arrangement sponsored by a type of governmental entity, it is exempt by statute from regulation by the SEC.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA - R.S. 33:2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

Credit risk: Lamp is rated AAAm by Standard & Poor's.

Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosures using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 22 days as of December 31, 2022.

Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the state of Louisiana has full access to the records of the LAMP.

LAMP issues financial reports. These financial reports can be obtained by writing: LAMP, Inc., 650 Poydras Street, Suite 2220, New Orleans, LA 70130 or contact by phone at 800-249-5267.

E. PREPAID ASSETS

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.

F. CAPITAL ASSETS

Capital assets are recorded at cost or estimated historical cost if purchased or constructed and depreciated over their estimated useful lives. Donated fixed assets are recorded at acquisition value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Capital assets consist of equipment and furniture and fixtures which are depreciated over 2 to 10 years. The Commission uses a capitalization threshold of $1,000. Straight line depreciation is used.

G. UNEARNED REVENUE

The Commission reports unearned revenues on its Statement of Net Position and Fund Balance Sheet. Unearned revenues arise when resources are received by the Commission before it has a legal claim to them, as when sales taxes are received under protest from vendors. In subsequent periods, when the Commission has a legal claim to the resources, the liability for unearned revenues is removed from the balance sheet and the revenue is recognized.

H. COMPENSATED ABSENCES

All 12-month employees earn from 10 to 25 days of vacation leave each year. All employees are required to take one week of vacation consecutively each year.

Carrying Annual Vacation Leave Forward:

a. Earned annual leave not taken by an employee may be accumulated up to 30 days and carried forward into the next calendar year. Employees may not take more than 30 days at one given time except with approval by the Commission.

b. Upon separation from service, payment for the accrued annual vacation leave up to the days of separation shall be paid. The rate of pay shall be computed on the basis of the rate the employee is receiving at the time of separation.

c. Upon death, annual vacation leave accrued to employees' credit shall be computed and the value thereof shall be paid to his or her heirs, except that such payment for accrued leave shall not exceed thirty (30) days. The rate of pay shall be computed on the basis of the rate the employee was receiving at the time of his or her death.

All 12-month employees earn 12 days of sick leave each year. Sick leave can be accumulated without limitations. Upon retirement or death, unused accumulated sick leave, not to exceed twenty-five (25) days, is paid to the employee or to the employee's estate at the employee's current rate of pay.

Under the Louisiana Teachers' Retirement System of Louisiana, all unpaid sick leave is used in the retirement benefit computation as earned service.

The Commission's recognition and measurement criteria for compensated absences follow:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as liability as the benefits are earned by the employees if both of the following conditions are met:

a. The employees' right to receive compensation is attributable to services already rendered.

b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

a. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.

b. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

The liability for compensated absences is reported in the government-wide financials statements.

I. PENSIONS

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the

Teachers' Retirement System of Louisiana (TRSL) and Municipal Employees' Retirement System (MERS), and additions to/deductions from TRSLs' and MERS' fiduciary net position have been determined on the accrual basis, as they are reported by TRSL and MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

J. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Commission has two items that qualify for reporting in this category. The Statement of Net Position reports the Commission's proportionate share of the deferred outflows of resources related to pensions and other post-employment benefits (OPEB). See Notes 7 and 8 for more information.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The Commission has two items that qualify for reporting in this category. The Statement of Net Position reports the Commission's proportionate share of the deferred inflows of resources related to pensions and other post-employment benefits (OPEB). See Notes 7 and 8 for more information.

K. FUND BALANCE OF FUND FINANCIAL STATEMENTS

Fund balances of the governmental funds are classified as follows:

Non-spendable: Fund balance that is not in spendable form or legally or contractually required to be maintained intact. This category includes items that are not easily converted to cash such as inventories and prepaid items.

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

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

Committed fund balance is established, modified or rescinded by either a policy of the Commission or motions passed at a Commission meeting formally committing the funds. The motions passed are usually the result of budget revisions.

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

Unassigned: All amounts not included in other spendable classifications.

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

L. 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 statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

M. ELIMINATION AND RECLASSIFICATIONS

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize "grossing up" effect on assets and liabilities within the governmental activities column. Interfund services provided or used are not eliminated in the process of consolidation.

N. BUDGETS

General Budget Policies The Commission follows these procedures in establishing the budgetary data reflected in the combined financial statements:

State statute requires that a budget be adopted for the General fund.

No later than fifteen days prior to the beginning of each fiscal year, the Administrator submits to the Commission the proposed annual budget for the General fund to be approved. The operating budget includes proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year end.

Formal budget integration (within the accounting records) is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and the final budget.

Encumbrances Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

Budget Basis of Accounting The General fund budget is prepared on the modified accrual basis of accounting, a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Commission. Legally, the Commission must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses.

State statutes require the Commission to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The Commission approves budgets at the function level and management can transfer amounts between line items within a function.

The following individual fund had an excess of expenditures over appropriations:

Fund	Budget	Actual	Variance
General fund	$ 469,106	$ 534,117	$ (65,011)

NOTE 2 – DEPOSITS AND INVESTMENTS

At December 31, 2022, the Commission had the following investments:

Investment type	Maturities	Fair Value	Concentration of Credit Risk
Louisiana Asset Management Pool (LAMP)	Less than 1 year	$ 281,923	100%

Deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair 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 year-end, the Commission's carrying amount of deposits was $728,719 and the bank balance was $834,022.

These deposits are reported as follows:

Statement A – Cash & cash equivalents	$ 524,330
Statement H – Cash & cash equivalents	258,389
Total	$ 782,719

At December 31, 2022, the Commission's bank balances, including fiduciary funds, totaled $834,022. These deposits are secured from risk by $250,000 of federal deposit insurance and $888,211 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Commission that the fiscal agent has failed to pay deposited funds upon demand.

Interest rate risk: The Commission's policy does not address interest rate risk.

Custodial credit risk: The Commission's policy does not address custodial credit risk.

Credit risk: The Commission's investment in LAMP was rated AAAm by Standard & Poor's. The Commission's policy does not address credit rate risk.

NOTE 3 – ACCOUNTS RECEIVABLE

Sales tax receivable of $3,802,619 and Due from other governments of $25 are reported in the fiduciary fund. No allowance for doubtful accounts was established as the full amount will be collected. Accounts receivable of $62,733 is reported in the General fund. This amount represents $9,471 due from businesses for insufficient checks issued in 2022 and $53,237 due from the sales tax fiduciary fund for administrative fees.

NOTE 4 – CAPITAL ASSETS

The changes in capital assets of governmental activities follow:

	Balance Beginning	Additions	Deletions	Balance Ending
Capital assets, being depreciated:				
Equipment	$ 169,438	$ 3,080	$ -	$ 172,518
Total capital assets being depreciated, at historical cost	169,438	3,080	-	172,518
Less accumulated depreciation for:				
Equipment	145,369	6,961	-	152,330
Total accumulated depreciation	145,369	6,961	-	152,330
Total capital assets, being depreciated, net	24,069	(3,881)	-	20,188
Leased assets:				
Equipment	4,877	-	-	4,877
Building	64,588	-	-	64,588
Total leased assets, being amortized	69,465	-	-	69,465
Less accumulated amortization for:				
Equipment	-	3,663	-	3,663
Building	-	28,706	-	28,706
Total accumulated amortization	-	32,369	-	32,369
Total lease assets, being amortized, net	69,465	(32,369)	-	37,096
Capital assets, net	$ 93,534	$ (36,250)	$ -	$ 57,284

Depreciation expense of $6,961 and amortization expense of $32,369 were charged to general government.

NOTE 5 – ACCOUNTS, SALARIES AND OTHER PAYABLES

The payables at December 31, 2022, are as follows:

Accounts payable to vendors	$ 8,213
Payroll liabilities	5,079
Retirement and insurance payable	4,697
Total accounts payable	$ 17,989

NOTE 6 – LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended December 31, 2022:

	Beginning Balance	Additions	Deductions	Ending Balance	Due within one year
Governmental activities:					
Lease liability	$ 69,465	$ -	$ 31,837	$ 37,628	$ 30,243
Compensated absences	24,727	22,545	18,901	28,369	13,412
Total	$ 94,192	$ 22,545	$ 50,738	$ 65,997	$ 43,655

The General fund is used to liquidate long-term liabilities.

As of December 31, 2022, the Commission reported $65,997 as a long-term obligation, with $43,655 due within one year. See Note 9 for more information.

NOTE 7 – PENSIONS

A. Teachers' Retirement System of Louisiana

Plan Description

Employees of the Commission are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Teachers' Retirement System of Louisiana (TRSL). Chapter 2 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to TRSL Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. TRSL issues a publicly available financial report that can be obtained at www.trsl.org.

Benefits Provided

The following is a description of the plan and its benefits and is provided for general informational purposes only. TRSL provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. Participants should refer to the appropriate statutes for more complete information.

Retirement Benefits:

1. <u>NORMAL RETIREMENT</u>

Regular Plan – Members initially hired on or after July 1, 2015 may retire with a 2.5% accrual rate after attaining age 62 with at least 5 years of service credit and are eligible for an actuarially reduced benefit with at least 20 years of service at any age. Members whose first employment makes them eligible for membership in a Louisiana state retirement system between January 1, 2011 and June 30, 2015 may retire with a 2.5% accrual rate after attaining age 60 with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. Members, if initially hired between July 1, 1999 and December 31, 2010, are eligible for a 2.5% accrual rate at the earliest of age 60 with 5 years of service, age 55 with 25 years of service, at any age with at least 20 years of service (actuarially reduced). or at any age with 30 years of service. If hired before July 1, 1999, members are eligible for a 2% accrual rate at the earliest of age 60 with 5 years of service, or at any age with 20 years of service and are eligible for a 2.5% accrual rate at age 65 with 20 years of service, age 55 with 25 years of service, or at any age with 30 years of service.

Plan A - Members may retire with a 3.0% annual accrual rate at age 55 with 25 years of service, age 60 with 5 years of service or 30 years of service, regardless of age. Plan A is closed to new entrants.

Plan B - Members may retire with a 2.0% annual accrual rate at age 55 with 30 years of service, or age 60 with 5 years of service if hired before July 1, 2015. Members hired on or after July 1, 2015 may retire with a 2.0% annual accrual rate at age 62 with at least 5 years of service, or receive an actuarially accrued benefit with 20 years of service at any age.

Benefit Formula

For all plans, retirement benefits are based on a formula which multiplies the final average compensation by the applicable benefit factor, and by the years of creditable service. For Regular Plan and Lunch Plan B members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after January 1, 2011, final average compensation is defined as the highest average 60-month period. For all other members, final average compensation is defined as the highest average 36-month period.

Payment Options

A retiring member is entitled to receive the maximum monthly benefit payable until the member's death. In lieu of the maximum monthly benefit, the member may elect to receive a reduced monthly benefit payable in the form of a Joint and Survivor Option, or a monthly benefit (maximum or reduced Joint and Survivor Option) with a lump sum that can't exceed 36 months of the members' maximum monthly benefit amount.

Effective July 1, 2009, members may make an irrevocable election at retirement to receive an actuarially reduced monthly benefit which increases 2.5% annually, beginning on the first retirement anniversary date, but not before age 55 or before the retiree would have attained age 55 in the case of a surviving spouse. This option can be chosen in combination with the above options.

2. DEFERRED RETIREMENT OPTION PROGRAM (DROP)

In lieu of terminating employment and accepting a service retirement, an eligible member can begin participation in the Deferred Retirement Option Program (DROP) on the first retirement eligibility date for a period not to exceed 3 years. A member has a 60-day window from his first eligible date to participate in the program in order to participate for the maximum number of years. Delayed participation reduces the three-year participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account.

Upon termination of DROP, the member can continue employment and earn additional benefit accruals to be added to the fixed pre-DROP benefit.

Upon termination of employment, the member is entitled to the fixed benefit, an additional benefit based on post-DROP service (if any), and the individual DROP account balance which can be paid in a lump sum or an additional annuity based upon the account balance.

3. DISABILITY BENEFITS

Active members whose first employment makes them eligible for membership in a Louisiana state retirement system before January 1, 2011, and who have five or more years of service credit are eligible for disability retirement benefits if certified by the State Medical Disability Board (SMDB) to be disabled from performing their job. All other members must have at least 10 years of service to be eligible for a disability benefit. Calculation of the disability benefit as well as the availability of a minor child benefit is determined by the plan to which the member belongs and the date on which the member's first employment made them eligible for membership in a Louisiana state retirement system.

4. SURVIVOR BENEFITS

A surviving spouse with minor children of an active member with at least five years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) $600 per month, or (b) 50% of the member's benefit calculated at the 2.5% accrual rate for all creditable service. When a minor child(ren) is no longer eligible to receive survivor benefits, the spouse's benefit reverts to a survivor benefit in accordance with the provisions for a surviving spouse with no minor child(ren). Benefits for the minor child(ren) cease when he/she is no longer eligible.

Each minor child (maximum of 2) shall receive an amount equal to the greater of (a) 50% of the spouse's benefit, or (b) $300 (up to 2 eligible children). Benefits to minors cease at attainment of age 21, marriage, or age 23 if enrolled in an approved institution of higher education.

A surviving spouse without minor children of an active member with at least 10 years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) $600 per month, or (b) the option 2 equivalent of the benefit calculated at the 2.5% accrual rate for all creditable service.

5. PERMANENT BENEFIT INCREASES/COST-OF-LIVING ADJUSTMENTS

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of ad hoc permanent benefit increases, also known as cost-of-living adjustments (COLAs) that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

6. OPTIONAL RETIREMENT PLAN (ORP)

The Optional Retirement Plan (ORP) was established for academic employees of public institutions of higher education who are eligible for membership in TRSL. This plan was designed to provide certain academic and unclassified employees of public institutions of higher education an optional method of funding for their retirement.

The ORP is a defined contribution pension plan which provides for portability of assets and full and immediate vesting of all contributions submitted on behalf of the affected employees to the approved providers. These providers are selected by the TRSL Board of Trustees. Monthly employer and employee contributions are invested as directed by the employee to provide the employee with future retirement benefits. The amount of these benefits is entirely dependent upon the total contributions and investment returns accumulated during the employee's working lifetime. Employees in eligible positions of higher education can make an irrevocable election to participate in the ORP rather than TRSL and purchase annuity contracts—fixed, variable, or both—for benefits payable at retirement.

Employer Contributions

The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's actuary. Each sub plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan.

The normal cost portion of each plan's employer contribution rate varies based upon that plan's benefits, member demographics, and the rate contributed by employees. The Unfunded Accrued Liability (UAL) contribution rate is determined in aggregate for all plans. The UAL resulting from legislation specific to a plan or group of plans will be allocated entirely to that plan or those plans.

For ORP, only the UAL portion of the employer contribution is retained by the plan. Therefore, only the UAL projected rates were used in the projection of future contributions in determining an employer's proportionate share.

The Commission's contractually required composite contribution rate for the year ended December 31, 2022 was 24.8 % - 25.2%, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contributions to the pension plan from the Commission were $32,307 for the year ended December 31, 2022.

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

At December 31, 2022, the employer reported a liability of $186,745 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension obligation was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the Commission's proportion was 0.001956%, which was a decrease of 0.00003% from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the Commission recognized pension benefit of $ (33,093).

At June 30, 2022, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	$ 2,893	$ 538
Net difference between projected and actual earnings on pension plan investments	10,598	-
Change in assumption	12,595	-
Change in proportionate share from beginning net pension liability and from collective deferred inflows	-	112,998
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,015	-
Employer contributions subsequent to the measurement date	19,787	-
Total	$ 52,888	$ 113,536

The Commission reported $19,787 as deferred outflows of resources related to pensions, which represent Commission contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended	
2023	$ (47,099)
2024	(48,484)
2025	(2,857)
2026	18,005

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2022, is as follows:

Actuarial cost method	Entry Age Normal
Amortization approach	Closed
Actuarial assumptions:	
Expected Remaining Service Lives	5 years
Investment rate of return	7.25% net of investment expenses
Inflation rate	2.3% per annum
Projected salary increases	3.1% - 4.6% varies depending on duration of service
Cost-of-living adjustments	None
Mortality	Active member – RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females. Non-disabled retiree/inactive members – RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females. Disability retiree mortality – RP-2014 Disability tables, adjusted by 1.111 for males and 1.134 for females. These base tables are adjusted from 2014 to 2018 using the MP-2017 generational improvement table, with continued future mortality improvement projected using the MP-2017 generational mortality improvement tables.
Termination and disability	Termination, disability, and retirement assumptions were projected based on a 5-year (July 1, 2012 – June 30, 2017) experience study of the System's members.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation rate of 2.3% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return was 8.32% for 2022. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022, are summarized in the following table:

Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return**
Domestic equity	27.0%	4.15%
International equity	19.0%	5.16%
Domestic fixed income	13.0%	0.85%
International fixed income	5.5%	(0.10%)
Private Equity	25.5%	8.15%
Other Private Assets	10.0%	3.72%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the employer's proportionate share of the net pension liability using the discount rate of 7.25%, as well as what the employer's proportionate share of the net pension obligation would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	Changes in discount rate		
	1% decrease 6.25%	Current rate 7.25%	1% increase 8.25%
Employer's proportionate share of the net pension liability	$256,465	$ 186,745	$ 123,437

Support of Non-employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The Commission recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2022, the Commission recognized revenue as a result of support received from non-employer contributing entities of $885 for its participation in TRSL.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TRSL 2022 Comprehensive Annual Financial Report at www.trsl.org.

Payables to the Pension Plan

At December 31, 2022, the Commission had a liability of $4,771 to the Teachers' Retirement System of Louisiana for the December 2022 employee and employer legally required contributions.

B. Municipal Employees' Retirement System of Louisiana (MERS)

Plan Description: Employees of the Commission are provided with pensions through a cost-sharing multiple-employer defined benefit plan established in accordance with the provision of Louisiana Revised Statutes (La. R.S. 11:1731) to provide retirement benefits to employees of all incorporated villages, towns, and cities within the State of Louisiana. The Municipal Employees Retirement System of Louisiana is the administrator of this plan. MERS is comprised of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Employees of the Commission are members of Plan A. MERS issues a publicly available financial report that can be obtained at www.mersla.com.

Benefits Provided: The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Eligibility Requirements: Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the System with exceptions as outlined in the statutes.

Retirement: Any member of Plan A, who commenced participation in the System prior to January 1, 2013 can retire providing the member meets one of the following criteria:

a. Any age with twenty-five (25) or more years of creditable service.
b. Age 60 with a minimum of ten (10) years of creditable service.
c. Any age with 20 years of creditable service, exclusive of military service and unused annual and sick leave, with an actuarially reduced early benefit.

Eligibility for retirement for Plan A members hired on or after January 1, 2013 is as follows:

a. Age 67 with seven (7) years of creditable service.
b. Age 62 with ten (10) years of creditable service.
c. Age 55 with thirty (30) years of creditable service.
d. Any age with twenty-five (25) years of creditable service with actuarially reduced early benefit.

Generally, the monthly amount of the retirement allowance for any member Plan A shall consist of an amount equal to three percent of the member's monthly average final compensation multiplied by his years of creditable service. Final compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. Any city marshal or deputy city marshal shall receive an additional regular benefit computed on supplemental marshal's earnings.

Survivor Benefits: Upon death of any member of Plan A with five (5) or more years of creditable service, not eligible for normal retirement, the plan provides for benefits for the surviving spouse and minor children as outlined in the statutes.

Any member of Plan A, who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

Deferred Retirement Option Plan (DROP) Benefits: In lieu of terminating employment and accepting a service retirement allowance, any member of Plan A who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable, but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund. Interest is earned when the member has completed DROP participation. Interest earnings are based upon the actual rate of return on the investments identified as DROP funds for the period. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members of the System has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the Board of Trustees. If a participant dies during participation in the DROP, a lump sum equal to the balance in his account shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in the System.

Disability Benefits: For Plan A, a member shall be eligible to retire and receive a disability benefit if he has at least five years of creditable service, is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of (1) an amount equal to three percent of his final compensation multiplied by his years of creditable service, but not less than forty-five percent of his final compensation, or (2) an amount equal to what the member's normal retirement benefit would be based on the member's current final compensation, but assuming the member remained in continuous service until his earliest normal retirement age and using those retirement benefit computation factors which would be applicable to the member's normal retirement.

Cost of Living Increases: The System is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant an additional cost of living increase to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

Deferred Benefits: Plan A provides for deferred benefits for members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable. Benefits are based on statutes in effect at time of withdrawal.

Contributions: Contribution requirements of active employees are governed by Louisiana Revised Statutes (La. R.S. 11:1731) and may be amended by the Louisiana Legislature. Employee contributions are deducted from a member's salary. Both employee and employer contributions are remitted to MERS by participating employers. According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending December 31, 2022, the actual employer contribution rate was 29.50% of annual payroll for Plan A, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

According to state statute, the System also receives one-fourth (1/4) of 1% of ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations. Non-employer contributions of $1,290 were recognized as revenue during the year ended December 31, 2022, and excluded from pension expense. Contributions to the pension plan from the Commission were $13,070 for the year ended December 31, 2022.

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

At December 31, 2022, the Commission reported a liability of $75,236 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the Commission's proportion was 0.018115% which was an increase of 0.0095% from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the Commission recognized pension expense of $32,853.

At June 30, 2022, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	$ 89	$ 288
Net difference between projected and actual earnings on pension plan investments	12,519	-
Change in assumption	729	-
Change in proportionate share from beginning net pension liability and from collective deferred inflows	33,164	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	377
Employer contributions subsequent to the measurement date	6,535	-
Total	$ 53,036	$ 665

Deferred outflows of resources related to pensions of $6,535 resulting from the Commission's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended	
2023	$ 25,358
2024	13,276
2025	1,199
2026	6,003

Actuarial Methods and Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2022 are as follows:

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.85%, net of investment expense
Projected Salary Increase, including inflation and merit increases	
- 1 to 4 years of service	6.4%
- More than 4 years of service	4.5%
Inflation Rate	2.5%
Expected Remaining Service Lives	3 years
Annuitant and beneficiary mortality	PubG-2010 (B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Employee mortality	PubG-2010 (B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Disabled lives mortality	PubNS-2010 (B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living raises. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment mortality and future salary increases. Actuarially determined amounts regarding the net pension liability are subject to continual revision as actual results are compared to past expectations, and new estimates are made about the future. The actuarial assumption used in the June 30, 2022, valuation was based on the results of an experience study, for the period July 2013 through June 30, 2018.

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2022, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Public equity	53%	2.31%
Public fixed income	38%	1.65%
Alternatives	9%	0.39%
Totals	100%	4.35%
Inflation		2.60%
Expected Arithmetic Nominal Return		6.95%

Discount Rate: The discount rate used to measure the total pension liability was 6.85% for the year ended June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and Public Retirement Systems' Actuarial Committee (PRSAC). Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to changes in Discount Rate:

The following presents the net pension liability of the Commission's proportionate share of the net pension liability using the discount rate of 6.85%, as well as what the Commission's net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of June 30, 2022:

	Changes in Discount Rate		
	1% Decrease 5.85%	Current Rate 6.85%	1% Increase 7.85%
Net Pension Liability	$ 100,078	$ 75,236	$ 54,245

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued Municipal Employees' Retirement System of Louisiana stand-alone audit report on their financial statements for the year ended June 30, at www.mersla.com.

Payables to the Pension Plan: At December 31, 2022, the Commission had $1,458 in payables to the Municipal Employees' Retirement System for the December 2022 employee and employer legally required contributions.

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan description The Commission's OPEB plan is a single-employer defined benefit "substantive plan" as understood by past practices of the Commission and its employees. The Commission maintains the authority to establish and amend plan benefit provisions and determine contribution rates of the Commission and plan members. Although no written plan or trust currently exists or is sanctioned by law, the OPEB plan is reported based on communication to plan members. Substantially all of the Commission's employees become eligible for these benefits once they reach normal retirement age while working for the Commission, and if the employee chooses to obtain health care benefits from the Commission. The OPEB plan does not issued a stand-alone financial report. The Commission provides medical, dental and life insurance benefits to eligible retirees.

Funding Policy The insurance for retired individuals is provided through the Commission's group plan, which covers both active and retired members. Employees do not contribute to their post-employment benefits cost until they become retirees and begin receiving those benefits. Contribution amounts are approximately 25% retiree/75% employer of the stated costs of medical and dental coverage.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

The plan is currently financed on a "pay as you go basis" with the Commission contributing $2,276 for one retiree for the year ended December 31, 2022.

Employees covered by benefit terms – At December 31, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	4
Total	5

Total OPEB Liability – The Commission's total OPEB liability of $240,207 was measured as of December 31, 2022. The total OPEB liability is based on census information as of December 31, 2022 and benefit payment and salary information as of December 31, 2022.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial method	Individual Entry Age Normal Cost Method – Level Percentage of Projected Salary
Service Cost	Determined for each employee as the Actuarial Present Value of Benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected benefit earned during the year in accordance with the plan's benefit formula. This allocation is based on each participant's service between date of hire and date of expected termination.
Discount Rate	4.31% (1.81% real rate of return plus 2.50% inflation)
Health Care Cost Trend	Level annual rate of 4.50% for medical and 2.00% for dental
Mortality	2020 - RPH-2014 Total Table with Projection MP-2021.
Salary Scale	3.50%

The December 31, 2022 valuation results reflected an increase in the discount rate to 4.31%. The discount rate was 2.12% for the December 31, 2020 valuation. The mortality projection assumption was updated to the MP-2021 scale from the MP-2020 scale used in the December 31, 2020, valuation. There was no change to the current year valuation for the healthcare cost trend rate of 4.5% since the prior valuation.

The discount rate was selected by reviewing the recently published S&P Municipal Bond 20 Year High Grade Rate Index, This is one of the indices acceptable under GASB 75. This index is published daily and has trended up in recent months.

There were no changes in plan provisions.

Changes in the Total OPEB Liabilities:

	Total OPEB Liability
Balance at January 1, 2022	$ 728,555
Changes for the year:	
Service cost	11,414
Interest	15,663
Difference between expected and actual experience	(425,961)
Changes in assumption	(87,188)
Benefit payments	(2,276)
Net changes	(488,348)
Balance at December 31, 2022	$ 240,207

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the Commission, as well as what the Commission's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower and one percentage point higher than the current discount rate.

	Changes in Discount Rate		
	1% Decrease (3.31%)	Current Rate (4.31%)	1% Increase (5.31%)
Net OPEB Liability	$ 275,030	$ 240,207	$ 211,945

Sensitivity of the Total OPEB Liability to changes in the Healthcare cost trend rates – The following presents the total OPEB liability of the Commission, as well as what the Commission's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower and one percentage point higher than the current healthcare cost trend rates.

	Changes in Healthcare Cost Trend Rate		
	1% Decrease (3.50%)	Current Rate (4.50%)	1% Increase (5.50%)
Net OPEB Liability	$ 211,945	$ 240,207	$ 275,915

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended December 31, 2022, the Commission recognized OPEB benefit of ($56,996). At

December 31, 2022, the Commission reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 340,880
Changes in assumptions	53,903	68,716
Totals	$ 53,903	$ 409,596

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended Dec 31,	
2023	$ (84,443)
2024	(87,808)
2025	(87,808)
2026	(57,372)
2027	(38,262)

NOTE 9 – LEASES

The Commission has two lease agreements for office equipment and one lease agreement for an office building. Interest has been imputed at a rate of 2.89% for a copier and building that the commission makes monthly payments on through March 2024. Interest has been imputed at a rate of 2.18% for a postage machine that the commission makes monthly payments on through March 2023. The future lease payments under lease agreements are as follows:

Fiscal year:	Principal	Interest
2023	$ 30,243	$ 678
2024	7,385	36
Total	$ 37,628	$ 714

NOTE 10 – CUSTODIAL FUND DEPOSITS DUE OTHERS

A summary of changes in Custodial fund deposits due others follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Sales tax collections	$ 3,739,921	$ 37,323,085	$ 37,260,387	$ 3,802,619
Occupational license fees	-	276,563	276,563	-
Total	$ 3,739,921	$ 37,599,648	$ 37,536,950	$ 3,802,619

The following is a detail of changes in Custodial fund deposits due others for the collections and payments made to local governmental entities for sales tax collections during the year ended December 31, 2022:

Balance, Beginning	$ 3,739,921
Receipts:	
Sales tax collections	37,323,085
Disbursements:	
Webster Parish School Board	17,146,327
Webster Parish Police Jury	3,765,837
Webster Parish Sheriff	3,765,832
Webster Parish Tourism Commission	201,848
City of Minden	7,433,434
City of Springhill	3,023,241
Town of Cotton Valley	98,291
Town of Cullen	124,778
Town of Sibley	428,691
Town of Sarepta	112,374
Village of Dixie Inn	271,768
Village of Doyline	95,106
Minden EDD #1	21,470
Minden EDD #2	114,677
Minden EDD #3	2,852
Minden EDD #4	2,100
Sales tax collection fee	520,483
Fee for audit of sales tax vendors	38,823
Refunds to sales tax vendors	92,455
Total disbursements	37,260,387
Balance, Ending	$ 3,802,619

NOTE 11 – RISK MANAGEMENT

The Commission is exposed to various risk for property damage, liability, and theft which are covered by insurance policies to manage these risks. In the past insurance has been sufficient to cover any settlements. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three years.

NOTE 12 – LITIGATION AND CLAIMS

At December 31, 2022, the Commission is involved in litigation concerning protested taxes. $258,414 is reported in the fiduciary fund for amounts received under protest.

NOTE 13 – LIENS OVER SALES TAX REMITTERS

The Commission has outstanding liens against sales tax remitters who have not submitted sales tax reports to the Commission. The Commission cannot determine the exact amounts owed by the sales tax remitters, since no sales tax returns were submitted and processed into the Commission's accounting records. The lien amounts recorded at the Clerk of Court's office are based on estimates determined by the frequency of sales tax returns submitted and the tax liability owed by the remitter in past sales tax returns. Therefore, no amounts are recorded on the Commission's Custodial fund since the collection of the estimates is not probable.

NOTE 14 – REFUNDS TO TAXPAYERS

The Commission receives refund requests from sales tax remitters for overpayment of sales taxes. Refund requests are reviewed to determine if the amounts were overpaid. For the year ended December 31, 2022, the Commission recognized no refunds due taxpayers.

NOTE 15 – OCCUPATIONAL LICENSE COLLECTIONS AND DISBURSEMENTS

The following is a schedule occupational tax collections and disbursements on a cash basis collected in behalf of and payments made to local governmental entities for fiscal year ended December 31, 2022:

	Total Collections	Collection Fees	Total Distribution	Refunds	Balance to be Distributed
Webster Parish Police Jury	$ 276,563	$ 3,820	$ 269,043	$ 3,700	$ -

Webster Parish Sales & Use Tax Commission
Notes to the Financial Statements
December 31, 2022

NOTE 16 – SALES TAX COLLECTIONS AND DISBURSEMENTS

The following is a schedule of the sales tax collections and disbursements on a cash basis collected in behalf of and payments made to local governmental entities for fiscal year ended December 31, 2022:

	Total Collections	Collection Fees	Audit Fees	Refunds	Distribution
Webster Parish School Board (2.5%)					
School Board 1969 (1.0%)	$ 7,671,686	$ 107,092	$ 7,681	$ 22,234	$ 7,534,679
School Board 1996 (1.0%)	7,671,686	107,092	7,681	22,234	7,534,679
School District 6 (0.5%)	2,114,668	29,627	3,384	4,688	2,076,969
Webster Parish Police Jury (0.5%)	3,834,342	53,547	3,841	11,117	3,765,837
Town of Sibley (2.5%)					
Town of Sibley 1980 (1.0%)	174,097	2,437	145	39	171,476
Town of Sibley 1988 (1.0%)	174,097	2,437	145	39	171,476
Town of Sibley 2011 (0.5%)	87,049	1,218	73	19	85,739
Town of Cotton Valley (1%)	103,953	1,397	68	4,197	98,291
City of Minden (2%)					
City of Minden 1967 (1%)	3,778,841	52,848	5,316	3,960	3,716,717
City of Minden 1984 (1%)	3,778,841	52,848	5,316	3,960	3,716,717
Minden EDD #1	21,775	305	-	-	21,470
Minden EDD #2	59,296	814	-	1,174	57,308
Minden EDD #2 Occupancy	59,376	815	-	1,192	57,369
Minden EDD #3	2,892	40	-	-	2,852
Minden EDD #4	2,130	30	-	-	2,100
City of Springhill (2.5%)					
City of Springhill 1968 (1.0%)	1,228,486	17,176	403	1,604	1,209,303
City of Springhill 1988 (0.5%)	614,226	8,588	201	802	604,635
City of Springhill 1992 (1.0%)	1,228,486	17,176	403	1,604	1,209,303
Town of Cullen (2.5%)					
Town of Cullen 1970 (1.0%)	50,659	709	38	1	49,911
Town of Cullen 1988 (0.5%)	25,330	355	19	-	24,956
Town of Cullen 1995 (1.0%)	50,659	709	38	1	49,911
Town of Sarepta (1%)	114,091	1,597	128	(8)	112,374
Village of Dixie Inn (2%)					
Village of Dixie Inn 1981 (1.0%)	137,819	1,929	-	6	135,884
Village of Dixie Inn 1994 (1.0%)	137,819	1,929	-	6	135,884
Village of Doyline	96,582	1,352	104	20	95,106
Webster Parish Tourism (4%)	207,164	2,866	-	2,450	201,848
Webster Parish Sheriff (0.5%)	3,834,337	53,550	3,839	11,116	3,765,832
Total	$ 37,260,387	$ 520,483	$ 38,823	$ 92,455	$ 36,608,626

NOTE 17 – TAX ABATEMENTS (GASB 77)

The Louisiana Cultural Districts Program was created by Act 298 of the 2007 Regular Session. This program allows a local government to designate a Cultural District for the purpose of revitalizing a community by creating a hub of cultural activity. The program provides an exemption from sales and use taxes for proceeds received from the sale of original, one-of-a-kind works of art from locations established within the Cultural District.

Webster Parish includes the Minden Art & History Cultural District which qualifies for the original art exemption. The Cultural District program allows for art sellers to be exempt from local sales tax. The amount of tax abatement under this program during the fiscal year ended December 31, 2022 by authorized sales is as follows:

Tax code	Total revenue reported by art selling businesses	Estimated tax $ lost to Cultural District program
LA R.S. 47:305.57	$ 18,456	$ 1,015

NOTE 18 – NEW GASB STANDARD

GASB Statement No. 87 – Leases. This statement addresses financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain leased assets and liabilities for leases that were classified as operating leases and recognized as inflows/outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The impact to the Commission resulted in an increase to lease assets and lease liabilities of $69,465. There was no effect on beginning net position.

NOTE 19 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 28, 2023, the date at which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION
(PART II)

Webster Parish Sales & Use Tax Commission

Schedule of Changes in the Total OPEB Liability and Related Ratios
December 31, 2022

Total OPEB Liability

	2018	2019	2020	2021	2022
Service costs	$ 9,905	$ 10,311	$ 10,311	$ 11,414	$ 11,414
Interest	20,258	21,259	16,619	15,186	15,663
Differences between expected and actual experience	-	-	(32,821)	-	(425,961)
Change in assumption	-	129,010	54,219	-	(87,188)
Benefits payments	(5,713)	(6,603)	(5,921)	(5,934)	(2,276)
Net change in total OPEB liability	24,450	153,977	42,407	20,666	(488,348)
Total OPEB liability - beginning	487,055	511,505	665,482	707,889	728,555
Total OPEB liability - ending	$ 511,505	$ 665,482	$ 707,889	$ 728,555	$ 240,207
Covered employee payroll	$ 158,829	$ 158,829	$ 165,246	$ 165,246	$ 223,239
Total OPEB liability as a percentage of covered employee payroll	322.05%	418.99%	428.38%	440.89%	107.60%

Notes:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is presented.

Webster Parish Sales & Use Tax Commission

Notes to the Required Supplementary Information for OPEB
For the Year Ended December 31, 2022

Changes in Assumptions
The following schedule provides changes in assumptions and other inputs:

	2018	2019	2020	2021	2022
Valuation date	December 31, 2018	December 31, 2018	December 31, 2020	December 31, 2021	December 31, 2022
Actuarial cost method	Entry Age Normal Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method
Discount rate	4.10%	2.74%	2.12%	2.12%	4.31%
Healthcare Cost Trend	Level annual rate of 5.00% for medical and 2.00% for dental	Level annual rate of 5.00% for medical and 2.00% for dental	Level annual rate of 4.50% for medical and 2.00% for dental	Level annual rate of 4.50% for medical and 2.00% for dental	Level annual rate of 4.50% for medical and 2.00% for dental
Mortality	RPH 2014 Total Table with Projection MP-2018	RPH 2014 Total Table with Projection MP-2019	RPH 2014 Total Table with Projection MP-2020	RPH 2014 Total Table with Projection MP-2020	RPH 2014 Total Table with Projection MP-2021
Salary scale	3.50%	3.50%	3.50%	3.50%	3.50%
Termination rates	Range from 25% at less than 5 years service to 1% for over 20 years of service	Range from 25% at less than 5 years service to 1% for over 20 years of service	Range from 9% at age 25 to 4.2% at age 55 and over	Range from 9% at age 25 to 4.2% at age 55 and over	Range from 9% at age 25 to 4.2% at age 55 and over
Retirement rates	Range from 15% at age 55 or less to 14% at age 65 and over	Range from 15% at age 55 or less to 14% at age 65 and over	Range from 4.5% at age 50 to 22.5% at age 66 and over	Range from 4.5% at age 50 to 22.5% at age 66 and over	Range from 4.5% at age 50 to 22.5% at age 66 and over

Notes:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is presented.

No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits.

Webster Parish Sales and Use Tax Commission

Schedule of Proportionate Share of Net Pension Liability
December 31, 2022

Fiscal Year	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Teachers' Retirement System of Louisiana					
2015	0.004760%	$ 511,486	$ 201,771	253.50%	62.47%
2016	0.004811%	564,666	205,806	274.37%	59.90%
2017	0.004875%	499,779	209,840	238.17%	65.60%
2018	0.004817%	473,416	215,160	220.03%	68.20%
2019	0.004776%	474,001	219,463	215.98%	68.60%
2020	0.001970%	219,134	157,652	139.00%	65.60%
2021	0.001985%	105,975	95,907	110.50%	83.85%
2022	0.001956%	186,745	98,392	189.80%	72.40%
Municipal Employee Retirement System of Louisiana					
2021	0.008613%	23,958	17,055	140.47%	77.82%
2022	0.018115%	75,236	34,718	216.71%	67.87%

Notes:
The amounts presented have a measurement date of June 30, 2022.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is presented.

Webster Parish Sales and Use Tax Commission

Schedule of Employer Contributions
December 31, 2022

Fiscal Year	Contractually Required Contribution	Contribution in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contribution as a Percentage of Covered Employee Payroll
Teachers' Retirement System of Louisiana					
2015	$ 55,323	$ 55,323	$ -	$ 203,768	27.15%
2016	55,832	55,832	-	207,844	26.86%
2017	55,342	55,342	-	212,433	26.05%
2018	57,908	57,908	-	217,290	26.65%
2019	51,013	51,013	-	221,636	23.02%
2020	31,878	31,878	-	122,973	25.92%
2021	24,842	24,842	-	97,419	25.50%
2022	32,307	32,307	-	129,606	24.93%
Municipal Employee Retirement System of Louisiana					
2021	8,738	8,738	-	29,620	29.50%
2022	13,070	13,070	-	44,306	29.50%

Notes:
This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is presented.

Webster Parish Sales and Use Tax Commission

Notes to the Required Supplementary Information for Pensions
December 31, 2022

Changes in Assumptions
The following schedule provides changes in assumptions and other inputs for Teachers' Retirement System of Louisiana:

Report Date	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
Valuation Date	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Investment Rate of Retur	7.75 (net of investments)		7.70% (net of investments)	7.65% (net of investments)	7.55% (net of investments)	7.45% (net of investments)	7.4% (net of investments)	7.25% (net of investments)
Inflation Rate	2.5% per annum	2.5% per annum	2.5% per annum	2.5% per annum	2.5% per annum	2.3% per annum	2.3% per annum	2.3% per annum
Mortality Non-disabled Active	RP - 2000 Mortality Table with projection to 2025 using Scale AA	RP - 2000 Mortality Table with projection to 2025 using Scale AA	RP - 2000 Mortality Table with projection to 2025 using Scale AA	RP - 2014 White Collar Employee tables, adjusted by 1.010 for males and 0.997 for females ***	RP - 2014 White Collar Employee tables, adjusted by 1.010 for males and 0.997 for females ***	RP - 2014 White Collar Employee tables, adjusted by 1.010 for males and 0.997 for females ***	RP - 2014 White Collar Employee tables, adjusted by 1.010 for males and 0.997 for females ***	RP - 2014 White Collar Employee tables, adjusted by 1.010 for males and 0.997 for females ***
Mortality Non-disabled Retiree	RP - 2000 Mortality Table with projection to 2025 using Scale AA	RP - 2000 Mortality Table with projection to 2025 using Scale AA	RP - 2000 Mortality Table with projection to 2025 using Scale AA	RP - 2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and 1.189 for females ***	RP - 2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and 1.189 for females ***	RP - 2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and 1.189 for females ***	RP - 2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and 1.189 for females ***	RP - 2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and 1.189 for females ***
Mortality Disabled	RP-2000 Disability mortality table	RP-2000 Disability mortality table	RP-2000 Disability mortality table	RP - 2014 Disability tables, adjusted by 1.111 for males and 1.136 for females ***	RP - 2014 Disability tables, adjusted by 1.111 for males and 1.134 for females ***	RP - 2014 Disability tables, adjusted by 1.111 for males and 1.134 for females ***	RP - 2014 Disability tables, adjusted by 1.111 for males and 1.134 for females ***	RP - 2014 Disability tables, adjusted by 1.111 for males and 1.134 for females ***
Termination, Disability, Retirement	2008-2012 experience study	2008-2012 experience study	2008-2012 experience study	2012-2017 experience study	2012-2017 experience study	2012-2017 experience study	2012-2017 experience study	2012-2017 experience study
Salary Increases	3.5% - 10% varies depending on duration of service	3.5% - 10% varies depending on duration of service	3.5% - 10% varies depending on duration of service	3.3% - 4.8% varies depending on duration of service	3.3% - 4.8% varies depending on duration of service	3.1% - 4.6% varies depending on duration of service	3.1% - 4.6% varies depending on duration of service	3.1% - 4.6% varies depending on duration of service

Notes:
This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is presented.

*** Base tables for active, non-disabled retirees, and disabled retirees are adjusted from 2014 to 2018 using MP-2017 generational improvement table, with continued future mortality improvement projected using the MP-2017 generational mortality improvement tables.

Changes in Benefit Terms: Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015 may retire with a 2.5% benefit factor after attaining the age of 62 with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. This benefit change raised the age requirement from 60 years of age for members hired after January 1, 2011.

Webster Parish Sales and Use Tax Commission

Notes to the Required Supplementary Information for Pensions
December 31, 2022

Changes in Assumptions

The following schedule provides changes in assumptions and other inputs fo Municipal Employee Retirement Sy

Report Date	December 31, 2021	December 31, 2022
Valuation Date	June 30, 2021	June 30, 2022
Investment Rate of Return	6.85 (net of investments)	6.85 (net of investments)
Inflation Rate	2.5% per annum	2.5% per annum
Annuitant and beneficiary mortality	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales
Employee mortality	PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales	PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales
Disabled lives mortality	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with full generational MP 2018 scale	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with full generational MP 2018 scale
Termination, Disability, Retirement	2013-2018 experience study	2013-2018 experience study
Salary Increases	1 to 4 years of service - 6.4% More than 4 years - 4.5%	1 to 4 years of service - 6.4% More than 4 years - 4.5%

Notes:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is presented.

SUPPLEMENTARY INFORMATION

Webster Parish Sales and Use Tax Commission

Schedule of Compensation Paid to Commissioners
December 31, 2022

The Webster Parish Sales and Use Tax Board of Commissioners received no compensation:

Shelli Malone	Chairperson
Peggy Adkins	Member
Crevonne Odom	Member
Sherry McCann	Member
Terry Gardner	Member
Tiffany Parish	Member
Serena Gray	Member
Lisa Balkom	Member
Shane Jones	Member
Kevin McLain	Member
Dominique Parish	Member
Alicia Ware	Member
James Hill	Member

Webster Parish Sales and Use Tax Commission

Schedule of Compensation, Benefits and Other Payments to Agency Head
December 31, 2022

Agency Head: Cyndy Herrington, Administrator

Salary	$ 75,188
Benefits – insurance	14,149
Benefits – retirement	7,465
Benefits – medicare	986
Dues	200
Travel	1,006
Registration fees	705

OTHER REPORTS

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

To the Board Members of the
Webster Parish Sales and Use Tax Commission
Minden, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, major fund, and the aggregate remaining fund information of the Webster Parish Sales and Use Tax Commission, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated June 28, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Webster Parish Sales and Use Tax Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Webster Parish Sales and Use Tax Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Webster Parish Sales and Use Tax Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement. 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is reported in the accompanying Schedule of Current Year Audit Findings as item 2022-01.

Webster Parish Sales & Use Tax Commission's Response to Findings

The Webster Parish Sales & Use Tax Commission's response to the finding identified in our audit is described in the accompanying schedule of current year audit findings. The Commission's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of this Report

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

Wise Martin & Cole LLC

Minden, Louisiana
June 28, 2023

Webster Parish Sales and Use Tax Commission
Schedule of Current Year Findings
December 31, 2022

Webster Parish Sales and Use Tax Commission
Schedule of Current Year Findings
December 31, 2022

2022-01 Finding – Budget

Condition: Actual expenditures and other financing uses for the General fund exceeded budgeted expenditures and other financing uses by more than 5%

Criteria: The Local Government Budget Act requires the annual budgets be amended when actual plus projected expenditures and other financing uses exceed budgeted amounts by more than 5%.

Cause: Expenditures related to recognition of leases of assets required with the implementation of GASB 87 Leases in 2022 were inadvertently not included in the amended budget.

Effect: The Commission was not in compliance with the Local Government Budget Act.

Recommendation: We recommend that the Administrator be aware of the effect of implementation of new GASB's and how they may affect the financial statement amounts and budget process. In addition, projected expenditures related to new leases that are entered into in the future will need to be considered when budgeting.

View of Responsible Officials and Planned Corrective Actions: Management will consider leases in the budget process and any new leases will be included in the future. The budget will be amended when actual plus projected expenditures and other financing uses exceed budgeted amounts by more than 5%.

Webster Parish Sales and Use Tax Commission
Status of Prior Year Findings
December 31, 2022

ML 2021-01 Improving internal control over collections of delinquent filings and balances:

Finding: During the year, we noted the collection process for sales tax and occupational license delinquent filers was not being enforced by the Commission.

Status: Not resolved, see ML 2022-01.

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Management Letter

To the Board Members of the
Webster Parish Sales and Use Tax Commission
Minden, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Webster Parish Sales and Use Tax Commission as of and for the year ended December 31, 2022, which collectively comprise the Commission's basic financial statements as listed in the table of contents and have issued our report thereon dated June 28, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of American and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As part of our examination, we have issued our report on the financial statements, dated June 28, 2023, and our repot on internal control and compliance with laws, regulation, contracts, and grants, dated June 28, 2023.

During our audit, we became aware of the following matters which represent immaterial matters of noncompliance with provisions of laws and suggestions for strengthening deficiencies in internal controls.

ML 2022-01 Improving Internal controls over collections of delinquent filings and balances

Criteria: The Commission has adopted formal collection procedures to address dealers who fail to file their tax returns and remit the amount due on a timely basis for sales taxes and occupational licenses.

Condition: We tested controls over collection enforcement by selecting 15 vendors who were identified as delinquent in their filings of sales tax returns during the year. Collection enforcement procedures were in place, but not being enforced timely.

- 14 of the 15 delinquent vendors reveal that the collection process is not being followed on a timely basis, no follow up aside from demand letters. No liens being filed and accounts not turned over to attorney according to the policy.
- 1 of the vendors had payment plans which was not being enforced during 2022.

We noted that the Commission system of monitoring delinquent filers failed to follow-up on delinquent filers on a timely basis, specifically vendors setup to pay delinquent taxes through an installment agreement.

Cause: New staff was hired to handle delinquent collections, however, no procedures were in place or monitoring performed to ensure that delinquent filings process was being handled timely.

Effect: Sales and occupation licenses owed by vendors may not be collected on a timely basis.

Recommendation: We recommend the Commission develop a plan to monitor the status of delinquent filings and ensure that accounts are worked timely and legally addressed when required.

We recommend management address the foregoing issues as an improvement to operations and the administration of public programs. We are available to further explain the suggestions or help implement the recommendations.

Wise Martin & Cole LLC

Minden, Louisiana
June 28, 2023

Webster Parish Sales & Use Tax Commission
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Cyndy Herrington
Administrator
www.webstersalestax.org

June 27, 2023

Louisiana Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

My response to the Management Letter:

ML 2022-01 Improving Internal controls over collections of delinquent filings and balances

A new employee was hired in October 2021 and he is following the policy and procedures including sending delinquent letters, demand letters, filing liens and suits. There were multiple court appearances in 2022. It has been a challenge to update our procedures and follow-up on the delinquent filers. I am working closely with him to determine what steps to take to ensure we are following procedures. We will review the accounts on installment plans and determine what steps to take. My employee has already implemented what we hope will be a more efficient process to monitor delinquent filers and ensure that the accounts are worked timely and legally addressed when required.

Sincerely,

Cyndy Herrington

Cyndy Herrington
Administrator

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. The Webster Parish Sales and Use Tax Commission's management is responsible for those C/C areas identified in the SAUPs.

The Webster Parish Sales and Use Tax Commission has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

   a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

   Written policy and procedures were obtained and addressed all areas listed above that applied to the Commission's operations.

   b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

   Written policy and procedures were obtained and addressed all areas listed above that applied to the Commission's operations.

c) ***Disbursements***, including processing, reviewing, and approving.

Written policy and procedures were obtained and addressed all areas listed above that applied to the Commission's operations.

d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Written policy and procedures were obtained and addressed all areas listed above that applied to the Commission's operations.

e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

Written policy and procedures were obtained and addressed all areas listed above that applied to the Commission's operations.

f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

Written policy and procedures were obtained and addressed all areas listed above that applied to the Commission's operations.

g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Written policy and procedures were obtained and addressed all areas listed above that applied to the Commission's operations.

h) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Written policy and procedures were obtained and addressed all areas listed above that applied to the Commission's operations.

i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Written policy and procedures were obtained and addressed all areas listed above that applied to the Commission's operations.

j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The Commission does not have debt; therefore, no policy or procedures were provided.

k) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Written policy and procedures were obtained and addressed all areas listed above that applied to the Commission's operations.

l) ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Written policy and procedures were obtained and addressed all areas listed above that applied to the Commission's operations.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

   a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
   The board met semiannually in accordance with their enabling legislation.

   b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds.
   Both meetings' minutes referenced budget-to-actual comparison on their one major fund.

   c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
   Obtained prior year audit report and observed a positive ending unassigned fund balance.

   d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.
   Exception: *Prior year management letter finding not resolved. No written updates of progress of resolving audit finding at board meetings noted.*
   Management response: *Management will address at future board meetings.*

Bank Reconciliation

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

   Management provided us with a list of bank accounts and representation that the list is complete.

a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

   Bank reconciliation selected included evidence that reconciliations were prepared within 2 months of the related statement closing date.

b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

   Bank reconciliations selected included evidence of review by a member of management or a board member with no involvement in the transactions associated with the bank account.

c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

   Exception: *One bank reconciliation test had outstanding items older than twelve months. There was no management documentation reflecting research of these old outstanding reconciling items.*

   Management response: *Management will review outstanding reconciling items to determine what steps need to be taken to clear these out.*

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

   Management provided us with the required list and representation that the listing is complete.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

   Management provided us with the required list and representation that the listing is complete.

   a) Employees responsible for cash collections do not share cash drawers/registers.

      No exception noted.

   b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

      No exception noted.

   c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

      No exception noted.

d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

No exception noted.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

All employees who have access to cash are covered by a bond or insurance policy for theft.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

a) Observe that receipts are sequentially pre-numbered.

Receipts are sequentially pre numbered.

b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exception noted.

c) Trace the deposit slip total to the actual deposit per the bank statement.

No exception noted.

d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than $100 and the cash is stored securely in a locked safe or drawer).

Exception: *There was one cash collection site for all revenue sources. Two deposits over $100 were not made within one business day of collection.*

Management response: *Management will ensure that employees deposit cash collections within one business day.*

e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Management provided us with the required list and representation that the listing is complete.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Management provided us with the required list and representation that the listing is complete.

a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Not applicable - The Commission does not utilize a requisition/purchase order system. Purchases receive advance Commission approval through budgetary allocations, except when state law or Commission policy require formal bids.

b) At least two employees are involved in processing and approving payments to vendors.

When processing payments to vendors, there are two employees involved in the process.

c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

The Administrator is responsible for processing payments and is not prohibited from adding/modifying vendor files. The Office Manage reviews and initials changes to vendor files.

d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

No exceptions noted.

e) Only employees/officials authorized to sign checks approve the electronic disbursements (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exceptions noted.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

No exceptions noted.

b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

No exceptions noted.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Management provided us with a list of credit cards/debit cards/ fuel cards/p-cards and representation that the list is complete.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

No exceptions noted.

b) Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions noted.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Observed all required supporting documentation listed above.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Management provided us with the required list and representation that the list is complete.

a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

No amounts reimbursed per diem were more than those established by the State of Louisiana or the U.S. General Services Administration.

b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Exception: *One travel expense did not have the original itemized receipt that identifies what was purchased.*

Management response: *Management will ensure that itemized receipts are provided for meals while traveling, if not provided, reimbursement will not be issued.*

c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

Each expense was supported by documentation of business purpose and individuals participating.

d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Each expense was supported by documentation of review and approval in writing by someone other than the traveler without exception.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

    Management provided us with the required list and representation that the listing is complete.

    a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

       Not applicable – no requirement to bid in accordance with the Louisiana Public Bid Law.

    b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

       Not applicable – contract approval authority given to Administrator per Commission policy.

    c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

       No exceptions noted.

    d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

       No exceptions noted.

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

    Management provided us with the required list and representation that the listing is complete. No exceptions noted.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

    a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

       No exception noted.

    b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

No exception noted.

c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

No exception noted.

d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Rate paid to employees agree to the authorized salary. No exception noted.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Not applicable – no employees were eligible for termination payments during the fiscal period.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Management provided us with the required representation.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

No exception noted.

b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

No exception noted.

21. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

No exceptions noted.

Debt Service

22. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

No debt was issued during the fiscal period.

23. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

    Not applicable – the Commission has no debt.

Fraud Notice

24. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

    Management provided us with the required list and representation that the listing is complete. There were no misappropriations reported.

25. Observe the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

    No exception noted.

Information Technology Disaster Recovery/Business Continuity

26. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

    a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

    We performed the procedure and discussed the results with management.

    b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

    We performed the procedure and discussed the results with management.

    c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

    We performed the procedure and discussed the results with management.

27. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #18. Observe evidence that the selected terminated employees have been removed or disabled from the network.

    No exceptions noted.

Sexual Harassment

28. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

    No exception noted.

29. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

    No exception noted.

30. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

    a) Number and percentage of public servants in the agency who have completed the training requirements;

    b) Number of sexual harassment complaints received by the agency;

    c) Number of complaints which resulted in a finding that sexual harassment occurred;

    d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

    e) Amount of time it took to resolve each complaint.

    Report dated on or before February 1. Observed that report includes all applicable requirements.

We were engaged by Webster Parish Sales and Use Tax Commission to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Webster Parish Sales and Use Tax Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed0upon procedures engagement.

This report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Wm Martin & Cole LLC

Minden, Louisiana
June 28, 2023