

**EVANGELINE PARISH
SALES AND USE TAX COMMISSION**

Financial Report

Year Ended June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Evangeline Parish Sales and Use Tax Commission (Tax Commission), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the 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, the major fund, and the aggregate remaining fund information of the Tax Commission, as of June 30, 2023, and the respective changes in financial position 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 the 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 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Tax Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities 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 judgement 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 judgment 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 control 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 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 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule and schedule of changes in total OPEB liability and related ratios, on pages 27-29, 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.

The Tax Commission has omitted management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the other supplementary information section but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2023, on our consideration of the 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 Tax Commission’s internal control 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 Tax Commission’s internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
September 14, 2023

BASIC FINANCIAL STATEMENTS

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

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Statement of Net Position
June 30, 2023

	<u>Governmental Activities</u>
ASSETS	
Cash and interest-bearing deposits	\$ 268,041
Receivables	51,808
Capital assets, net	<u>8,085</u>
Total assets	<u>327,934</u>
LIABILITIES	
Accounts payable	976
Other postemployment benefit obligation payable	<u>54,531</u>
Total liabilities	<u>55,507</u>
NET POSITION	
Net investment in capital assets	8,085
Unrestricted	<u>264,342</u>
Total net position	<u>\$ 272,427</u>

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

FUND FINANCIAL STATEMENTS (FFS)

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Balance Sheet
Governmental Fund - General Fund
June 30, 2023

ASSETS

Cash and interest-bearing deposits	\$ 268,041
Receivables, net	<u>51,808</u>
Total assets	<u><u>\$ 319,849</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts and other payables	\$ 976
Fund balance:	
Unassigned	<u>318,873</u>
Total liabilities and fund balance	<u><u>\$ 319,849</u></u>

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

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
June 30, 2023

Total fund balance for the governmental fund at June 30, 2023	\$ 318,873
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:	
Buildings and improvements, net of \$30,086 accumulated depreciation	\$ -
Furniture and equipment, net of \$37,514 accumulated depreciation	<u>8,085</u> 8,085
Some liabilities are not due and payable from current financial resources and, therefore, are not reported in the funds. These liabilities consist of:	
Other postemployment benefit obligation payable	<u>(54,531)</u>
Net position at June 30, 2023	<u><u>\$ 272,427</u></u>

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

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Statement of Revenues, Expenditures, and Change in Fund Balance -
Governmental Fund - General Fund
For the Year Ended June 30, 2023

Revenues		
Sales tax collection fees		\$ 575,159
Interest income		<u>621</u>
Total revenues		<u>575,780</u>
Expenditures		
Current -		
General government:		
Personnel services and related benefits		192,578
Operating services		96,342
Material and supplies		28,159
Surplus distribution		<u>301,138</u>
Total expenditures		<u>618,217</u>
Net change in fund balance		(42,437)
Fund balance, beginning		<u>361,310</u>
Fund balance, ending		<u><u>\$ 318,873</u></u>

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

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Change in Fund Balance of the Governmental Fund
to the Statement of Activities
For the Year Ended June 30, 2023

Total net change in fund balance for year ended June 30, 2023 per the statement of revenues, expenditures and change in fund balance	\$ (42,437)
The change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation expense	(7,499)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Other postemployment benefit obligation	<u>4,971</u>
Change in net position for the year ended June 30, 2023 per the statement of activities	<u>\$ (44,965)</u>

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

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Statement of Fiduciary Net Position
Fiduciary Fund - Custodial Fund
June 30, 2023

ASSETS

Cash and interest-bearing deposits	\$ 55,152
Accounts receivable	<u>2,515,984</u>
Total assets	<u>2,571,136</u>

LIABILITIES

Accounts payable	<u>2,513,688</u>
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NET POSITION

Restricted for organizations and other governments	<u>\$ 57,448</u>
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The accompanying notes are an integral part of the basic financial statements.

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Statement of Changes in Fiduciary Net Position
Fiduciary Fund - Custodial Fund
For the Year Ended June 30, 2023

Additions:	
Sales tax collections	\$ 27,921,192
Sales tax collections paid under protest	12,487
Interest earned	<u>1,078</u>
Total additions	<u>27,934,757</u>
Deductions:	
Transfer to taxing bodies	28,035,395
Sales tax collection audit fees	<u>58,061</u>
Total reductions	<u>28,093,456</u>
Net Change in fiduciary net position	(158,699)
Net position, beginning	<u>216,147</u>
Net position, ending	<u>\$ 57,448</u>

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

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Evangeline Parish Sales and Use Tax Commission (Tax Commission) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

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

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

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The government-wide financial statements provide operational accountability information for the Tax Commission as an economic unit. The government-wide financial statements report the Tax Commission's ability to maintain service levels and continue to meet its obligations as they become due. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the statement of fiduciary net position at the fund financial statement level.

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

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

Fund Financial Statements (FFS)

The accounts of the Tax Commission are organized on the basis of funds, each of which is considered to be an independent fiscal and accounting entity. The operations of each fund are accounted for within separate sets of self-balancing accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues, expenditures/expenses, and transfers. The minimum number of funds is maintained consistent with legal and managerial requirements. The funds of the Tax Commission are classified into two categories: governmental and fiduciary. The emphasis of the fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Tax Commission or its total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund are at least ten percent of the corresponding total for all governmental funds. The Tax Commission's General Fund is considered to be a major fund. The funds used by the Tax Commission are described below.

Governmental Fund -

General Fund

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

Fiduciary Fund -

The fiduciary fund consists of the custodial fund of the Tax Commission. Custodial funds account for assets held by the Tax Commission for various local governments and others. The Tax Commission's custodial fund is the Sales Tax Collection Fund, which accounts for the collection and distribution of sales taxes for the taxing authority of Evangeline Parish. Fiduciary fund financial statements are prepared using the economic resources measurement focus and full accrual basis of accounting.

C. Measurement Focus and Basis of Accounting

Measurement Focus

The measurement focus determines the accounting and financial reporting treatment applied to a fund.

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

The governmental activities within the government-wide statement of net position and statement of activities are presented using the economic resources measurement focus. The economic resources measurement focus meets the accounting objectives of determining net income, net position, and cash flows.

The governmental funds use the current financial resources measurement focus. This measurement focus is based upon the receipt and disbursement of current available financial resources rather than upon net income.

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

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

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. An exception to this is grant revenue collected on a reimbursement basis. Those reimbursable grants are recognized as revenue when reimbursable expenditures are made. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

Program revenues included in the statement of activities are derived directly from the program itself or from parties outside the Tax Commission's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Tax Commission's general revenues.

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

Allocation of indirect expenses

The Tax Commission reports all direct expenses by function in the statement of activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the statement of activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the statement of activities.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Equity

Cash and interest-bearing deposits

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

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The Tax Commission maintains a threshold level of \$5,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Furniture and equipment	5-10 years
Buildings and improvements	10-20 years

Compensated Absences

Employees of the Tax Commission's office earn vacation leave of six days during the first year of employment, ten days from the second to the eighth year of service, and fifteen days thereafter, with a carryover of five days allowed. An equal amount of sick pay is allowed with an unlimited carryover. Sick leave does not vest. Any liability the Tax Commission may have regarding this matter at June 30, 2023 is considered immaterial.

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources represent a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. There are no deferred inflows or outflows of resources as of June 30, 2023.

Postemployment benefits other than pensions (OPEB)

The total OPEB liability and OPEB expense (See Note 5), have been determined using the flow of economic resources measurement focus and full accrual basis of accounting. In the governmental fund financial statements contributions are recognized as expenditures when due.

Equity Classifications

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

- a. Net investment in capital assets consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Restricted net position consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or law through constitutional provisions or enabling legislation. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets. It is the Tax Commission's policy to use restricted net position prior to the use of unrestricted net position when both restricted and unrestricted net position are available for an expense which has been incurred.
- c. Unrestricted net position consists of all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Tax Commission, which is the highest level of decision-making authority for the Evangeline Parish Sales and Use Tax Commission.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Tax Commission’s adopted policy, only the Commission may assign amounts for specified purposes.
- e. Unassigned – all other spendable amounts.

It is the Tax Commission’s policy to use restricted amounts first when both restricted and unrestricted fund balance is available unless prohibited by legal or contractual provisions. Additionally, the Tax Commission uses committed, assigned, and lastly unassigned amounts of fund balance in that order when expenditures are made.

E. 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, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

(2) Cash and Interest-Bearing Deposits

Under state law, the Tax Commission may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Tax Commission may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2023, the Tax Commission has cash and interest bearing deposits (book balances) as follows:

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

	Governmental Activities	Fiduciary Fund	Total
Demand deposits	\$ 165,531	\$ 55,152	\$ 220,683
Time and savings deposits	102,510	-	102,510
Total	\$ 268,041	\$ 55,152	\$ 323,193

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Tax Commission's deposits may not be recovered or the collateral securities that are in the possession of an outside party will not be recovered. These deposits are stated at cost, which approximates market. Under state law these deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security, or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. As of June 30, 2023, bank balances were secured as follows:

Bank balances	\$ 1,587,238
Federal deposit insurance	\$ 254,253
Pledged securities	1,332,985
Total	\$ 1,587,238

Deposits in the amount of \$1,332,985 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution trust department or agent, but not in the Tax Commission's name. The Tax Commission does not have a policy for custodial credit risk.

(3) Capital Assets

Capital asset activity for the year ended June 30, 2023 follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Furniture and equipment	\$ 45,599	\$ -	\$ -	\$ 45,599
Building and improvements	30,086	-	-	30,086
Totals	75,685	-	-	75,685
Less: Accumulated depreciation	60,101	7,499	-	67,600
Net capital assets	\$ 15,584	\$ (7,499)	\$ -	\$ 8,085

Depreciation expense of \$7,499 was charged to the general government function.

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

(4) Pension Plan

Employees of the Evangeline Parish Sales and Use Tax Commission may participate in a "SIMPLE" retirement plan in accordance with Internal Revenue Code Section 401(K)11 and 408 (P). Under this plan, which is treated as an IRA for most purposes, the employer makes payments as a contribution (not exceeding 3% of employee's compensation) to the Simple account. Elective contributions are limited to \$14,000 for any calendar year. The Tax Commission's contribution during the year ended June 30, 2023 amounted to \$4,646.

(5) Other Postemployment Benefits (OPEB)

General Information about the OPEB Plan

Plan description: Employees who retire from the Tax Commission are eligible to continue health care and life insurance coverage upon retirement. The plan provides OPEB for permanent full-time employees of the Tax Commission. The plan is a fully insured, multiple-employer plan provided through and administered by the Louisiana Office of Group Benefits (OGB). The contribution requirements of plan members and the Commission are established and may be amended by LRS 42:801-883. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Benefits provided: The Tax Commission provides medical and life insurance benefits for retirees. The monthly premiums for the benefits are paid jointly by the employee and employer. The percentage of the premium paid by the Tax Commission varies depending on choice of coverage. The Tax Commission recognizes the cost of providing these benefits as an expenditure when the monthly premiums are due. The benefits are financed on a pay-as-you-go basis.

Employees covered by benefit terms: There were two active employees and one retired employee covered by the plan.

Total OPEB Liability

The Tax Commission's total OPEB liability of \$54,531 was measured as of June 30, 2023 using the alternative measurement method in place of an actuarial valuation.

Actuarial assumptions and other inputs: The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

Actuarial Cost Method	Entry age normal
Amortization method	Level percentage of payroll
Discount rate	3.83%
Salary Increases	3.00%
Mortality	Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvement projected for 10 years
Healthcare medical cost trend rates	4.7% decreasing to 4.2% over ten years

The discount rate was based on the 20-year tax exempt municipal bond yield.

Changes in the Total OPEB Liability

Balance as of June 30, 2022	<u>\$ 59,502</u>
Changes for the year:	
Service cost	5,401
Interest on total OPEB liability	2,355
Effect of economic/demographic (gains) or losses	(5,854)
Benefit payments	<u>(6,873)</u>
Net change in total OPEB liability	<u>(4,971)</u>
Balance as of June 30, 2023	<u>\$ 54,531</u>

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the Tax Commission calculated using the discount rate of 3.83%, as well as what the total OPEB 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.

	1% Decrease	Current Discount Rate	1% Increase
	<u>2.83%</u>	<u>3.83%</u>	<u>4.83%</u>
Total OPEB liability	<u>\$ 57,853</u>	<u>\$ 54,531</u>	<u>\$ 51,486</u>

The following presents the total OPEB liability of the Tax Commission calculated using the healthcare cost trend rates, as well as what the Tax Commission's total OPEB 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 trend rates.

	1% Decrease	Current Trend Rate	1% Increase
	<u>5.7%</u>	<u>4.7%</u>	<u>5.7%</u>
Total OPEB liability	<u>\$ 51,472</u>	<u>\$ 54,531</u>	<u>\$ 57,802</u>

OPEB Expense/Benefit

For the year ended June 30, 2023, the Tax Commission recognized an OPEB expense of \$15,731.

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

(6) Collections on Behalf of Other Taxing Authorities

	Total <u>Collections</u>	Collection <u>Cost</u>	Final <u>Distribution</u>
Evangeline Parish School Board	\$ 9,566,870	\$ 202,949	\$ 9,363,921
Evangeline Parish Solid Waste Commission	4,783,392	101,476	4,681,916
City of Ville Platte	3,648,684	88,461	3,560,223
Town of Basile	232,420	4,892	227,528
Village of Pine Prairie	258,470	5,379	253,091
Village of Chataignier	30,278	544	29,734
Town of Mamou	715,235	14,908	700,327
Village of Turkey Creek	107,379	2,016	105,363
Evangeline Parish Sheriff	4,715,580	90,899	4,624,681
Evangeline Parish Police Jury	4,588,712	100,101	4,488,611
	<u>\$ 28,647,020</u>	<u>\$ 611,625</u>	<u>\$ 28,035,395</u>

Taxes in the amount of \$12,487 were paid under protest and are held in escrow until resolution of the protest.

(7) Compensation Paid to Board Members

Commission members received per diem for fiscal year ended June 30, 2023 as follows:

Donald Bergeron	\$ 1,800
Arthur Savoy	1,800
Leon Estes	4,800
Justin Darbonne	3,300
Quent West	3,300
Phillip Cavins	900
Ricky Fontenot	1,800
Jennifer Vidrine	1,500
Mark Denette	3,300
Bert Campbell	1,500
Chester Granger	1,800
Karen Vidrine	1,500
Leisa Deshotel	1,500
Ryan Williams	1,800
Charles Guillory	3,600
	<u>\$ 34,200</u>

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

(8) Compensation, Benefits, and Other Payments to Administrator

A detail of compensation, benefits, and other payments paid to Marty Morein, Administrator, for the year ended June 30, 2023 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 68,842
Benefits - health insurance	7,862
Auto allowance	1,200
Uniforms	204
Meals	467
Registration	1,230
Membership	200
Hotel	1,242
Mileage	919
	<u>\$ 82,166</u>

(9) Risk Management

The Tax Commission is exposed to risks of loss in the areas of general liability and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

(10) Litigation

There is no litigation pending against the Tax Commission at June 30, 2023.

**REQUIRED
SUPPLEMENTARY INFORMATION**

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues				
Sales tax collection fees	\$ 530,085	\$ 571,055	\$ 575,159	\$ 4,104
Interest income	1,000	950	621	(329)
Total revenues	531,085	572,005	575,780	3,775
Expenditures				
Current -				
General government:				
Personnel services and related benefits	198,860	193,100	192,578	522
Operating services	109,400	99,850	96,342	3,508
Material and supplies	35,000	30,600	28,159	2,441
Surplus distribution	299,000	301,138	301,138	-
Capital outlay	4,000	-	-	-
Total expenditures	646,260	624,688	618,217	6,471
Net change in fund balance	(115,175)	(52,683)	(42,437)	10,246
Fund balance, beginning	361,310	361,310	361,310	-
Fund balance, ending	\$ 246,135	\$ 308,627	\$ 318,873	\$ 10,246

The accompanying notes are an integral part of this schedule.

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Schedule of Changes in Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service cost	\$ 5,401	\$ 5,401	\$ 5,401	\$ 5,401	\$ 9,389	\$ 16,094
Interest on total OPEB liability	2,355	1,727	1,889	5,843	1,740	2,920
Effect of economic/demographic gains (losses)	(5,854)	22,574	1,829	(107,242)	29,250	(130,229)
Effect of assumptions changes or inputs	-	-	-	-	(54,306)	-
Benefit payments	<u>(6,873)</u>	<u>(19,607)</u>	<u>(7,219)</u>	<u>(7,219)</u>	<u>-</u>	<u>-</u>
Net change in OPEB liability	(4,971)	10,095	1,900	(103,217)	(13,927)	(111,215)
Total OPEB liability, beginning	<u>59,502</u>	<u>49,407</u>	<u>47,507</u>	<u>150,724</u>	<u>164,651</u>	<u>275,866</u>
Total OPEB liability, ending	<u>\$ 54,531</u>	<u>\$ 59,502</u>	<u>\$ 49,407</u>	<u>\$ 47,507</u>	<u>\$ 150,724</u>	<u>\$ 164,651</u>
Covered payroll	<u>\$ 109,361</u>	<u>\$ 106,176</u>	<u>\$ 103,083</u>	<u>\$ 137,180</u>	<u>\$ 111,590</u>	<u>\$ 132,798</u>
Total OPEB liability as a percentage of covered payroll	<u>49.86%</u>	<u>56.04%</u>	<u>47.93%</u>	<u>34.63%</u>	<u>135.07%</u>	<u>123.99%</u>

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The accompanying notes are in integral part of this schedule.

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Notes to Required Supplementary Information
For the Year Ended June 30, 2023

(1) Budgets and Budgetary Accounting

The Evangeline Parish Sales and Use Tax Commission follows these procedures in establishing the budgetary data reflected in the financial statements:

1. A proposed budget is prepared by the Administrator and submitted to the Board of Commissioners for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. The budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
3. All budgetary appropriations lapse at the end of each fiscal year.
4. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Commission.

(2) OPEB Plan

Changes in Benefit Terms – There were no changes in benefit terms.

Changes of Assumptions –

<u>Year End</u> <u>June 30,</u>	<u>Discount</u> <u>Rate</u>
2023	3.83%
2022	3.83%
2021	3.83%
2020	3.83%
2019	3.83%
2018	3.83%
2017	1.00%

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

OTHER SUPPLEMENTARY INFORMATION

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2023

	Budget		Actual	Variance -
	Original	Final		Positive (Negative)
Expenditures				
Current -				
Personnel services and related benefits -				
Salaries	\$ 160,000	\$ 155,000	\$ 154,857	\$ 143
Payroll taxes	11,950	12,400	12,373	27
Retirement	4,750	4,700	4,646	54
Health benefits	<u>22,160</u>	<u>21,000</u>	<u>20,702</u>	<u>298</u>
Total personnel services and related benefits	<u>198,860</u>	<u>193,100</u>	<u>192,578</u>	<u>522</u>
Operating services -				
Insurance	5,800	6,300	6,258	42
Miscellaneous	10,000	8,500	6,133	2,367
Outside services	-	-	1,400	(1,400)
Per diem	37,200	35,400	34,200	1,200
Professional fees	38,800	34,000	32,881	1,119
Rent	-	-	1,436	(1,436)
Telephone	4,000	4,500	4,485	15
Travel	9,000	6,000	5,057	943
Utilities	4,000	4,650	4,358	292
Workers' compensation	<u>600</u>	<u>500</u>	<u>134</u>	<u>366</u>
Total operating services	<u>109,400</u>	<u>99,850</u>	<u>96,342</u>	<u>3,508</u>
Materials and supplies -				
Office supplies	8,000	8,300	8,383	(83)
Postage	7,000	7,200	5,589	1,611
E-file expense	6,000	5,000	3,753	1,247
Repairs	14,000	10,100	10,230	(130)
Uniforms	<u>-</u>	<u>-</u>	<u>204</u>	<u>(204)</u>
Total materials and supplies	<u>35,000</u>	<u>30,600</u>	<u>28,159</u>	<u>2,441</u>
Distribution of surplus funds	<u>299,000</u>	<u>301,138</u>	<u>301,138</u>	<u>-</u>
Capital outlay	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 646,260</u>	<u>\$ 624,688</u>	<u>\$ 618,217</u>	<u>\$ 6,471</u>

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITOR'S 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*

Members of the Board of Commissioners
Evangeline Parish Sales and Use Tax Commission
Ville Platte, 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, the major fund, and the aggregate remaining fund information of the Evangeline Parish Sales and Use Tax Commission (Tax Commission) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Tax Commission's basic financial statements, and have issued our report thereon dated September 14, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the Tax Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tax 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 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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. 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 matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 2023-001.

Tax Commission's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Tax Commission's response to the findings identified in our audit and described in the accompanying schedule of current and prior year audit findings and management's corrective action plan. The Tax Commission's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
September 14, 2023

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Schedule of Current and Prior Year Audit Findings and Management's Corrective Action Plan
For the Year Ended June 30, 2023

Part I. Current year findings relating to an audit in accordance with *Government Auditing Standards*:

A. Internal Control

There were no internal control findings.

B. Compliance

2023-001 Compliance with Budget Act

Fiscal Year Finding Initially Occurred: 2023

CONDITION: Failure to publish notice of public hearing on proposed budget.

CRITERIA: LSA-RS §39:1307(A) states that political subdivisions with total proposed expenditures of five hundred thousand dollars or more from the general fund in a fiscal year shall afford the public an opportunity to participate in the budgetary process prior to adoption of the budget.

CAUSE: The Tax Commission did not advertise the public hearing on the proposed budget.

EFFECT: The public was not afforded an opportunity to participate in the budget process.

RECOMMENDATION: We recommend that the budget be advertised in accordance with the requirements of RS §39:1307 of the Local Government Budget Act.

MANAGEMENT RESPONSE: The Tax Commission will comply with all requirements of the Local Government Budget Act.

Part II. Prior year findings relating to an audit in accordance with *Government Auditing Standards*:

A. Internal Control

There were no internal control findings.

B. Compliance

There were no internal control findings.

Evangeline Parish Sales and Use Tax Commission

**Statewide Agreed-Upon Procedures Report
Year Ended June 30, 2023**

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Members of the Evangeline 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's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. The Evangeline Parish Sales and Use Tax Commission's management is responsible for those C/C areas identified in the SAUPs.

The Evangeline 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 July 1, 2022 through June 30, 2023. 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:

1) Written Policies and Procedures

A. 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:

- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

No exceptions were found as a result of this procedure.

- ii. ***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.

No exceptions were found as a result of this procedure.

- iii. ***Disbursements***, including processing, reviewing, and approving.

No exceptions were found as a result of this procedure.

- iv. **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).
The policy did not include management's actions to determine the completeness of all collections.
- v. **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.
The policy did not include the approval process for employee(s) rate of pay, or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
No exceptions were found as a result of this procedure.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
No exceptions were found as a result of this procedure.
- viii. **Credit Cards (and debit cards, fuel cards, purchase 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).
No exceptions were found as a result of this procedure.
- ix. **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.
The policy did not contain a system to monitor possible ethics violations.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
No exceptions were found as a result of this procedure.
- xi. **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.
No exceptions were found as a result of this procedure.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
No exceptions were found as a result of this procedure.

2) Board or Finance Committee

- A. 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:
- i. 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.
 - ii. 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.
 - iii. 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.
 - iv. 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.

No exceptions were found as a result of procedures i - iv.

3) Bank Reconciliations

- A. 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:

Obtained the listing of entity bank accounts for the fiscal period and management's representation that the listing is complete.

- i. 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);
- ii. Bank reconciliations include written evidence that a member of management or a 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
- iii. 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.

No exceptions were found as a result of procedures i - iii.

4) Collections (excluding electronic funds transfers)

- A. 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).

Obtained the listing of collection locations and management's representation that the listing is complete.

- B. 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:
- i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. 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;
 - iii. 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; and
 - iv. 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/official verifies the reconciliation.

No exceptions were found as a result of procedures i – iv.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

No exceptions were found as a result of this procedure.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). Obtain supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions were found as a result of this procedure.

- iv. 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).

Two of the deposits selected were not made within one business day of receipt.

- v. Trace the actual deposit per the bank statement to the general ledger.

No exceptions were found as a result of this procedure.

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

- A. 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).

Obtained the listing of locations that process payments and management's representation that the listing is complete.

- B. For each location selected under procedure #5A 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:

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
- ii. At least two employees are involved in processing and approving payments to vendors;
- iii. 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;
- iv. 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; and
- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exceptions were found as a result of procedures i – v.

- C. For each location selected under procedure #5A 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:

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity; and
- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

No exceptions were found as a result of procedures i - ii.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No exceptions were found as a result of this procedure.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.

Obtained the listing of active credit cards, bank debit cards, fuel cards, and purchase cards (cards) and management's representation that the listing is complete.

- B. 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
- i. 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 (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported; and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions were found as a result of procedures i – ii.

- C. Using the monthly statements or combined statements selected under procedure #6B 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 (e.g., each card should have 10 transactions subject to testing). For each transaction, observe that 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 observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions were found as a result of this procedure.

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

- A. 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 and 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:

Obtained the listing of travel and travel-related reimbursements and management's representation that the listing is complete.

- i. 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);
- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
- iii. Observe that 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 Policies and Procedures procedure #1A(vii); and

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions were found as a result of procedures i - iv.

8) Contracts – N/A the Tax Commission did not have contracts that were initiated or renewed during the fiscal period.

- A. 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:
 - i. 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;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. If the contract was amended (e.g., change order), observe that 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 documented approval); and
 - iv. 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 that the invoice and related payment agreed to the terms and conditions of the contract.

9) Payroll and Personnel

- A. 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.

Obtained a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

No exceptions were found as a result of procedures i – iv.

- C. 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 and 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's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

No employees or officials received termination payments during the fiscal period.

- D. 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.

No exceptions were found as a result of this procedure.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

No exceptions were found as a result of procedures i – ii.

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

No exceptions were found as a result of this procedure.

11) Debt Service – N/A the Tax Commission does not have any debt.

- A. 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 that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. 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).

12) Fraud Notice

- A. 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 as required by R.S. 24:523.

No exceptions were found as result of this procedure.

- B. 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 exceptions were found as a result of this procedure.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures:

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence 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.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then 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.

- iii. 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.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

The Tax Commission did not terminate any employees during the fiscal period.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

No exceptions were found as a result of this procedure.

- B. Observe that 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 exceptions were found as a result of this procedure.

- C. 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 that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

No exceptions were found as a result of procedures i – v.

Management’s Response

Management of the Evangeline Parish Sales and Use Tax Commission concurs with the exceptions and are working to address the deficiencies identified.

We were engaged by the Evangeline 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 the Evangeline Parish Sales and Use Tax Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended 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.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
September 14, 2023