

**EVANGELINE PARISH  
SALES AND USE TAX COMMISSION**

Financial Report

Year Ended June 30, 2019

## TABLE OF CONTENTS

	Page
Independent Auditor's Report	1-3
 BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of net position	6
Statement of activities	7
 FUND FINANCIAL STATEMENTS (FFS)	
Balance sheet - governmental fund	9
Reconciliation of the governmental fund balance sheet to the statement of net position	10
Statement of revenues, expenditures, and change in fund balance - governmental fund	11
Reconciliation of the statement of revenues, expenditures, and change in fund balance of the governmental fund to the statement of activities	12
Statement of fiduciary assets and liabilities	13
Notes to basic financial statements	14-24
 REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedule - General Fund	26
Schedule of changes in total OPEB liability and related ratios	27
Notes to required supplementary information	28
 OTHER SUPPLEMENTARY INFORMATION	
General Fund - budgetary comparison schedule- expenditures	30
Fiduciary Fund - Statement of changes in assets and liabilities	32
 INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS	
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 <i>Government Auditing Standards</i>	34-35
Schedule of current and prior year audit findings and management's corrective action plan	36

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, major fund, and the aggregate remaining fund information of the Evangeline Parish Sales and Use Tax Commission (Tax Commission), as of and for the year ended June 30, 2019, 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.

### *Management's Responsibility 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; this includes 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.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund, and the aggregate remaining fund information of the Tax Commission, as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that budgetary comparison information and the schedule of changes in total OPEB liability and related ratios (pages 26-28) be presented to supplement the basic financial statements. Such 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. 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.

Management 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***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tax Commission's basic financial statements. The accompanying financial information listed as "Other Supplementary Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. This 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. Such 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 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 November 25, 2019, 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 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  
November 25, 2019

## **BASIC FINANCIAL STATEMENTS**

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

Evangeline Parish Sales and Use Tax Commission  
Ville Platte, Louisiana

Statement of Net Position  
June 30, 2019

	<u>Governmental Activities</u>
ASSETS	
Cash and interest-bearing deposits	\$ 174,220
Prepaid items	9,329
Capital assets, net	<u>5,904</u>
Total assets	<u>189,453</u>
LIABILITIES	
Accounts payable	3,619
Net OPEB obligation payable	<u>150,724</u>
Total liabilities	<u>154,343</u>
NET POSITION	
Net investment in capital assets	5,904
Unrestricted	<u>29,206</u>
Total net position	<u>\$ 35,110</u>

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

Evangeline Parish Sales and Use Tax Commission  
Ville Platte, Louisiana

Statement of Activities  
For the Year Ended June 30, 2019

Activities	Expenses	Program Revenues Fees, Fines and Charges for Services	Net (Expense) Revenues and Changes in Net Position Governmental Activities
Governmental activities:			
General government	<u>\$ 381,041</u>	<u>\$ 370,352</u>	\$ (10,689)
General revenues:			
Interest and investment earnings			<u>937</u>
Change in net position			(9,752)
Net position - July 1, 2018			<u>44,862</u>
Net position - June 30, 2019			<u>\$ 35,110</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, 2019

ASSETS

Cash and interest-bearing deposits	\$ 174,220
Prepaid items	<u>9,329</u>
Total assets	<u>\$ 183,549</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts and other payables	<u>\$ 3,619</u>
Fund balance:	
Nonspendable (prepaid items)	9,329
Unassigned	<u>170,601</u>
Total fund balance	<u>179,930</u>
Total liabilities and fund balance	<u>\$ 183,549</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, 2019

Total fund balance for governmental fund at June 30, 2019		\$ 179,930
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 \$31,954 accumulated depreciation	\$ 2,107	
Furniture and equipment, net of \$19,302 accumulated depreciation	<u>3,797</u>	5,904
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds. Long-term liabilities at year end consist of:		
Net OPEB obligation payable		<u>(150,724)</u>
Net position at June 30, 2019		<u>\$ 35,110</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, 2019

Revenues:	
Sales tax collection fees	\$ 370,352
Interest income	<u>937</u>
Total revenues	<u>371,289</u>
Expenditures:	
Current -	
General government:	
Personnel services and related benefits	227,900
Operating services	89,480
Material and supplies	26,966
Distribution of surplus funds	<u>44,771</u>
Total expenditures	<u>389,117</u>
Net change in fund balance	(17,828)
Fund balance, beginning	<u>197,758</u>
Fund balance, ending	<u>\$ 179,930</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, 2019

Total net change in fund balance for year ended June 30, 2019 per statement of revenues, expenditures and change in fund balance	\$ (17,828)
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	(5,851)
Expenses in the statement of activities that do not require the use of current financial resources are not reported in the governmental funds	
Decrease in net OPEB obligation payable	<u>13,927</u>
Change in net position for year ended June 30, 2019 per statement of activities	<u>\$ (9,752)</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 Assets and Liabilities  
Agency Fund  
June 30, 2019

ASSETS

Cash and interest-bearing deposits	<u>\$ 168,163</u>
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LIABILITIES

Due to taxing bodies and others	<u>\$ 168,163</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

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, which are considered to be governmental activities. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the statement of fiduciary assets and liabilities 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 and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The funds of the Tax Commission are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the entity or the total assets, liabilities, revenues, or expenditures of that individual governmental fund is at least 10 percent of the corresponding total for all governmental funds combined.

The major fund of the Tax Commission is described below:

Governmental Fund -

General Fund

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

Additionally, the Tax Commission reports the following fund type:

Fiduciary Fund -

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

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

C. Measurement Focus/Basis of Accounting

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

EVANGELINE PARISH SALES AND USE TAX COMMISSION  
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position. In the fund financial statements, the "current financial resources" measurement focus is used. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

Basis of Accounting

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.

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

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)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows 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

Prepaid items

Payments made to vendors for services that will benefit periods beyond June 30, 2019 are recorded as prepaid items. The Tax Commission utilizes the consumption method to account for prepaid items.

Compensated Absences

Employees of the Tax Commission's office earn vacation leave of six days the first year of employment, ten days from the second to the eighth year of service, and fifteen days thereafter, with a carryover of five days allowed. An equal amount of sick pay is allowed with an unlimited carryover. Sick leave does not vest. Any liability the Tax Commission may have regarding this matter at June 30, 2019 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

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There are no deferred inflows or outflows of resources as of June 30, 2019.

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 (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- c. Unrestricted net position – consist of all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, the Tax Commission considers restricted resources to have been spent first.

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.
- 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.

EVANGELINE PARISH SALES AND USE TAX COMMISSION  
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

- 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.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Tax Commission considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Tax Commission considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Tax Commission has provided otherwise in his commitment or assignment actions.

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(2) 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, 2019, the Tax Commission has cash and interest bearing deposits (book balances) totaling \$342,383 as follows:

	Governmental Activities	Fiduciary Fund	Total
Demand deposits	\$ 37,453	\$ 168,163	\$ 205,616
Time and savings deposits	136,767	-	136,767
Total	<u>\$ 174,220</u>	<u>\$ 168,163</u>	<u>\$ 342,383</u>

EVANGELINE PARISH SALES AND USE TAX COMMISSION  
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

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 will not be able to recover the collateral securities that are in the possession of an outside party. 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, 2019, bank balances were secured as follows:

Bank balances	<u>\$ 1,642,025</u>
Federal deposit insurance	\$ 386,767
Pledged securities	<u>1,255,258</u>
Total	<u>\$ 1,642,025</u>

Deposits in the amount of \$1,255,258 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institutions' 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 balances and activity for the year ended June 30, 2019 is as follows:

	<u>Balance 7/1/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2019</u>
Furniture and equipment	\$ 68,649	\$ -	\$ 45,550	\$ 23,099
Building and improvements	<u>38,095</u>	<u>-</u>	<u>4,034</u>	<u>34,061</u>
Totals	106,744	-	49,584	57,160
Less: Accumulated depreciation	<u>94,989</u>	<u>5,851</u>	<u>49,584</u>	<u>51,256</u>
Net capital assets	<u>\$ 11,755</u>	<u>\$ (5,851)</u>	<u>\$ -</u>	<u>\$ 5,904</u>

Depreciation expense of \$5,851 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 \$12,500 for any calendar year. The Commission's contribution during the year ended June 30, 2019 amounted to \$5,370.

(5) Other Postemployment Benefits (OPEB)

In adopting the requirements of Governmental Accounting Standard Board (GASB) Statement No. 75 during the year ended June 30, 2018, the Tax Commission recognizes the cost of postemployment healthcare and life insurance benefits in the year when employee services are received, recognizes a liability for OPEB obligations, known as the total OPEB liability, on the statement of net position, and provides information useful in assessing potential demands on the Tax Commission's future cash flows. Changes in total OPEB liability will be immediately recognized as OPEB expense on the statement of activities or reported as deferred inflows/outflows of resources depending on the nature of the change.

**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 OGB 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 health benefit 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 three active employees and no inactive employees covered by the plan.

**Total OPEB Liability**

The Tax Commission's total OPEB liability of \$150,724 was measured as of June 30, 2019 using the alternative measurement method in place of an actuarial valuation.

Actuarial assumptions and other inputs: The total OPEB liability in the June 30, 2019 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	RP 2000 Mortality Table for males and females projected 18 years
Healthcare cost trend rates	4.6% to 4.7% 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, 2018	<u>\$ 164,651</u>
Changes for the year:	
Service cost	9,389
Interest on total OPEB liability	1,740
Effect of economic/demographic (gains) or losses	29,250
Effect of assumptions changes or inputs	<u>(54,306)</u>
Net change in total OPEB liability	<u>(13,927)</u>
Balance as of June 30, 2019	<u>\$ 150,724</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
	2.83%	3.83%	4.83%
Total OPEB liability	<u>\$ 166,959</u>	<u>\$ 150,724</u>	<u>\$ 137,001</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
Total OPEB liability	<u>\$ 139,961</u>	<u>\$ 150,724</u>	<u>\$ 163,831</u>

**OPEB Expense**

For the year ended June 30, 2019, the Tax Commission recognized an OPEB expense of \$9,788.

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 Collections	Collection Cost	Final Distribution
Evangeline Parish School Board	\$ 7,402,874	\$ 161,528	\$ 7,241,346
Evangeline Parish Solid Waste Commission	3,701,779	81,113	3,620,666
City of Ville Platte	2,831,537	58,362	2,773,175
Town of Basile	155,808	3,140	152,668
Village of Pine Prairie	262,985	5,246	257,739
Village of Chataignier	28,971	515	28,456
Town of Mamou	603,266	12,129	591,137
Village of Turkey Creek	57,956	858	57,098
Evangeline Parish Police Jury	3,467,122	82,956	3,384,166
	<u>\$ 18,512,298</u>	<u>\$ 405,847</u>	<u>\$ 18,106,451</u>

Taxes in the amount of \$17,911 were paid under protest and are held in escrow until resolution of the protest.

(7) Compensation Paid to Board Members

Board members received per diem for fiscal year ended June 30, 2019 as follows:

Donald Bergeron	\$ 3,900
Arthur Savoy	3,600
Leon Estes	4,500
Jackie Thomas (July 2018 - December 2018)	1,800
Justin Darbonne (January 2019 - June 2019)	1,800
Quent West	3,600
Heather Cloud (July 2018 - December 2018)	2,400
Phillip Cavins (January 2019 - June 2019)	1,800
Rickey Fontenot	3,900
Jennifer Vidrine	3,300
Mark Denette	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 Mike Veillon, Administrator, for the year ended June 30, 2019 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 67,197
Benefits - health insurance	11,438
Auto allowance	1,200
Uniforms	125
Reimbursements	341
Membership	200
Hotel	1,428
Meals	208
Registration	1,435
Janitor services	1,800
Mileage	506
	<u>\$ 85,878</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, 2019.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

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

Budgetary Comparison Schedule  
For the Year Ended June 30, 2019

	Budget		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
Revenues:				
Sales tax collection fees	\$ 365,000	\$ 365,000	\$ 370,352	\$ 5,352
Interest income	1,000	1,000	937	(63)
Total revenues	<u>366,000</u>	<u>366,000</u>	<u>371,289</u>	<u>5,289</u>
Expenditures:				
Current -				
General government:				
Personnel services and related benefits	230,750	230,750	227,900	2,850
Operating services	88,750	88,750	89,480	(730)
Material and supplies	23,800	23,800	26,966	(3,166)
Distribution of surplus funds	35,000	35,000	44,771	(9,771)
Capital outlay	900	900	-	900
Total expenditures	<u>379,200</u>	<u>379,200</u>	<u>389,117</u>	<u>(9,917)</u>
Net change in fund balance	(13,200)	(13,200)	(17,828)	4,628
Fund balance, beginning	<u>197,758</u>	<u>197,758</u>	<u>197,758</u>	<u>-</u>
Fund balance, ending	<u>\$ 184,558</u>	<u>\$ 184,558</u>	<u>\$ 179,930</u>	<u>\$ 4,628</u>

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, 2019

	<u>2018</u>	<u>2019</u>
Changes for the year:		
Service cost	\$ 16,094	\$ 9,389
Interest on total OPEB liability	2,920	1,740
Effect of economic/demographic gains or (losses)	(130,229)	29,250
Effect of assumptions changes or inputs	<u>-</u>	<u>(54,306)</u>
Net change in total OPEB liability	(111,215)	(13,927)
Total OPEB liability, beginning	<u>275,866</u>	<u>164,651</u>
Total OPEB liability, ending	<u>\$ 164,651</u>	<u>\$ 150,724</u>
 Covered payroll	 <u>\$ 132,798</u>	 <u>\$ 111,590</u>
 Total OPEB liability as a percentage of covered payroll	 <u>123.99%</u>	 <u>135.07%</u>

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

EVANGELINE PARISH SALES AND USE TAX COMMISSION  
Ville Platte, Louisiana

Notes to Required Supplementary Information  
For the Year Ended June 30, 2019

(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 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 June 30,</u>	<u>Discount Rate</u>
2019	3.83%
2018	3.83%
2017	1.00%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of the Governmental Accounting Standards Board Statement No. 75 to pay related benefits.

(3) Excess of Expenditures Over Appropriations

The General Fund incurred expenditures in excess of appropriations totaling \$9,917 for the year ended June 30, 2019.

## **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, 2019

	Budget		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
Expenditures:				
Current -				
Personnel services and related benefits -				
Salaries	\$ 186,650	\$ 186,650	\$ 184,008	\$ 2,642
Payroll taxes	14,300	14,300	14,807	(507)
Retirement	5,600	5,600	5,370	230
Health benefits	24,200	24,200	23,715	485
Total personnel services and related benefits	230,750	230,750	227,900	2,850
Operating services -				
Insurance	4,800	4,800	4,709	91
Miscellaneous	7,000	7,000	5,600	1,400
Outside services	-	-	1,800	(1,800)
Per diem	33,600	33,600	34,200	(600)
Professional fees	25,800	25,800	26,161	(361)
Rent	-	-	1,829	(1,829)
Telephone	3,500	3,500	3,517	(17)
Travel	10,000	10,000	7,995	2,005
Utilities	3,600	3,600	3,316	284
Workers' compensation	450	450	353	97
Total operating services	88,750	88,750	89,480	(730)
Materials and supplies -				
Office supplies	4,700	4,700	7,335	(2,635)
Postage	7,600	7,600	8,108	(508)
E-file expense	5,000	5,000	4,207	793
Repairs	6,500	6,500	6,756	(256)
Uniforms	-	-	560	(560)
Total materials and supplies	23,800	23,800	26,966	(3,166)
Distribution of surplus funds	35,000	35,000	44,771	(9,771)
Capital outlay	900	900	-	900
Total expenditures	\$ 379,200	\$ 379,200	\$ 389,117	\$ (9,917)

## **FIDUCIARY FUND**

### **Sales Tax Collection Fund**

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

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

Statement of Changes in Assets and Liabilities  
For the Year Ended June 30, 2019

ASSETS

Balance, July 1, 2018	\$ 152,852
Additions:	
Sales tax collections	18,512,298
Sales tax collections paid under protest	17,911
Interest earned for General Fund	585
Total additions	<u>18,530,794</u>
 Total	 <u>18,683,646</u>
 Reductions:	
Transfer to taxing bodies	18,106,451
Sales tax collection fees	370,352
Sales tax collection audit fees	35,495
Other reductions	3,185
Total reductions	<u>18,515,483</u>
 Balance, June 30, 2019	 <u>\$ 168,163</u>

LIABILITIES

Due to taxing bodies and others, July 1, 2018	\$ 152,852
 Additions	 18,530,794
 Reductions	 <u>18,515,483</u>
 Due to taxing bodies and others, June 30, 2019	 <u>\$ 168,163</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 auditing standards generally accepted in the United States of America and the standards applicable to financial statements 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 Evangeline Parish Sales and Use Tax Commission (Tax Commission) as of and for the year ended June 30, 2019, 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 November 25, 2019.

### 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) to determine the 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 2019-001 that we consider to be a significant deficiency.

## **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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Evangeline Parish Sales and Use Tax Commission's Response to Findings**

The Tax Commission's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan. The Tax 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 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, this report is a matter of public record and its distribution is not limited.

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

Ville Platte, Louisiana  
November 25, 2019

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, 2019

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

A. Internal Control

2019-001 Segregation of Duties

CONDITION: The Tax Commission does not have adequate segregation of accounting functions in the area of collecting and recording revenues.

CRITERIA: Segregation of accounting duties is imperative to promote a strong internal control structure and proper monitoring.

CAUSE: The cause of the condition is the result of a failure to design and implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Proper segregation of accounting duties should be implemented.

MANAGEMENT RESPONSE: Proper segregation of accounting duties has been implemented.

B. Compliance

There were no compliance findings noted.

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

A. Internal Control

2018-001 Segregation of Duties

CONDITION: The Tax Commission does not have adequate segregation of accounting functions in the area of collecting and recording revenue.

CURRENT STATUS: Unresolved. See finding 2019-001.

2018-002 Financial Reporting

CONDITION: Management and staff lack the expertise and/or experience in the selection and application of generally accepted accounting principles, as applicable to governmental entities, in the financial statement preparation process.

CURRENT STATUS: Resolved.

B. Compliance

There were no compliance findings noted.

**EVANGELINE PARISH**  
**SALES AND USE TAX COMMISSION**  
Ville Platte, Louisiana

Statewide Agreed-Upon Procedures Report

Year Ended June 30, 2019

# KOLDER, SLAVEN & COMPANY, LLC

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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To the Management of the Evangeline Parish Sales and Use Tax Commission  
and Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Evangeline Parish Sales and Use Tax Commission and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Evangeline Parish Sales and Use Tax Commission's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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 that 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 policies and procedures were obtained and address the functions noted above.*

- 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 policies and procedures were obtained and address the functions noted above.*

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

*Written policies and procedures were obtained and address the functions noted above.*

- 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 policies and procedures were obtained and address the functions noted above.*

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

*Written policies and procedures were obtained and address the functions noted above.*

- 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 policies and procedures were obtained and address the functions noted above.*

- 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 policies and procedures were obtained and address the functions noted above.*

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

*Written policies and procedures were obtained and address the functions noted above.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

*Written policies and procedures were obtained and address the functions noted above.*

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

*This procedure is not applicable because the entity does not have any debt.*

- k) **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 policies and procedures were obtained and address the functions noted above.*

#### ***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.

*Obtained and reviewed minutes of the managing board for the fiscal period noting that the board met monthly.*

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

*Obtained and reviewed the minutes for the fiscal period noting that they did not reference or include monthly budget-to-actual comparisons for 9 of the 12 meetings.*

- 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 and reviewed prior year audit report noting a positive unrestricted fund balance in the general fund.*

### ***Bank Reconciliations***

---

- 3. Obtain a listing of client 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 selected each account, and observe that:

*Obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing 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, electronically logged);

*Obtained bank reconciliations noting that they 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

*Obtained bank reconciliations noting that they do include evidence of review by a member of management who does not handle cash, post ledgers, or issue checks.*

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

*There were no items outstanding for more than 12 months from the statement closing date.*

### ***Collections (excluding EFTs)***

---

- 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).

*Obtained a listing of deposit sites for the fiscal period where deposits are prepared and management's 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:

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

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

- 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.

*Employees responsible for collecting cash are not responsible for preparing/making bank deposits.*

- 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.

*Employees responsible for collecting cash are not responsible for posting collection entries to the general ledger.*

- 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.

*Employee responsible for reconciling cash collections to the general ledger or subsidiary ledgers are not responsible for collecting cash.*

- 6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

*Through inquiry with management, 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.

*Traced supporting documentation to the deposit slips, noting no exceptions.*

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

*Traced the deposit slip total to the actual deposit per the bank statement, noting no exceptions.*

- d) Observe that 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).

*Deposits were made within one business day of receipt.*

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

*Traced the actual deposit per the bank statement to the general ledger, noting no exceptions.*

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

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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).  
*Obtained a listing of locations that process payments for the fiscal period and management's 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:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.  
*At least two employees are not involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.*
  - b) At least two employees are involved in processing and approving payments to vendors.  
*At least two employees are involved in processing and approving payments to vendors.*
  - 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 employee responsible for processing payments is not prohibited from adding/modifying vendor files; however, another employee is responsible for periodically reviewing 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.  
*The employee responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing the payments.*
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 that the disbursement matched the related original invoice/billing statement.  
*Disbursements matched the related original invoice/billing statement.*
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.  
*Disbursement documentation did include evidence of segregation of duties tested.*

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

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**(The following procedures are not applicable because there were no exceptions noted in year 2.)**

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.
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 that 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) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]
  - b) Observe that finance charges and late fees were not assessed on the selected statements.
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 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 note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

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

**(The following procedures are not applicable because there were no exceptions noted in year 2.)**

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:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) 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 policy (procedure #1h).
  - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

#### ***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:

*Obtained 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 and management’s representation that the listing is complete.*

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

*Observed that the contract was bid in accordance with the Louisiana Public Bid Law, noting no exceptions.*

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

*Observed that the contract was approved by the governing body/board, noting no exceptions.*

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

*Not applicable. Contracts were not amended.*

- 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 that the invoice and related payment agreed to the terms and conditions of the contract.

*Agreed the selected invoices to the contract terms and observed that the invoices and related payments agreed to the terms and conditions of the contracts.*

### ***Payroll and Personnel***

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- 16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/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/elected officials employed during the fiscal period and management's representation that the listing is complete. Agreed all selected employees paid salaries to authorized salaries/pay rates in the personnel files.*

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

*All selected employees did have documentation of daily attendance and/or leave as required.*

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

*All selected employees did have supervisor approval of attendance and/or leave as required.*

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

*Observed that any leave accrued or taken during the pay period was reflected in the entity's cumulative leave records, noting no exceptions.*

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

*Obtained a listing of employees/elected officials that received termination payments during the fiscal period and management's representation that the listing is complete. Agreed all selected employees' hours to the employee/officials' cumulative leave records and pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.*

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

*Managements asserted that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed by required deadlines.*

### ***Ethics***

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**(The following procedures are not applicable because there were no exceptions noted in year 2.)**

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

### ***Debt Service***

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**(The following procedures are not applicable because the entity does not have any debt.)**

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

### ***Other***

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**(The following procedures are not applicable, because there were no exceptions noted in year 2)**

23. 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.
24. Observe that 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.

***Management's Response:***

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

We were not engaged to and did not conduct an examination or review, 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.

The purpose of 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.

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

Ville Platte, Louisiana  
November 25, 2019