

**EVANGELINE PARISH
SALES AND USE TAX COMMISSION**

Financial Report

Year Ended June 30, 2021

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 net position	13
Statement of changes in fiduciary net position	14
Notes to basic financial statements	15-25
 REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedule - General Fund	27
Schedule of changes in total OPEB liability and related ratios	28
Notes to required supplementary information	29
 OTHER SUPPLEMENTARY INFORMATION	
Budgetary comparison schedule - General Fund expenditures	31
 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>	33-34
Schedule of current and prior year audit findings and management's corrective action plan	35

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

Victor R. Slaven, CPA* - retired 2020

* A Professional Accounting Corporation

183 S. Beadle Rd. 11929 Bricksome Ave.
Lafayette, LA 70508 Baton Rouge, LA 70816
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.
Ville Platte, LA 70586 Oberlin, LA 70655
Phone (337) 363-2792 Phone (337) 639-4737

WWW.KCSRCPAS.COM

INDEPENDENT AUDITOR'S REPORT

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, 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, 2021, 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, the major fund, and the aggregate remaining fund information of the Tax Commission, as of June 30, 2021, 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.

Other Matters

Required Supplementary Information

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

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

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 September 30, 2021, 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 30, 2021

BASIC FINANCIAL STATEMENTS

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

Evangeline Parish Sales and Use Tax Commission
Ville Platte, Louisiana

Statement of Net Position
June 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Cash and interest-bearing deposits	\$ 189,396
Receivables, net	41,502
Capital assets, net	<u>23,484</u>
Total assets	<u>254,382</u>
LIABILITIES	
Accounts payable	2,481
OPEB liability	<u>49,407</u>
Total liabilities	<u>51,888</u>
NET POSITION	
Net investment in capital assets	23,484
Unrestricted	<u>179,010</u>
Total net position	<u>\$ 202,494</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, 2021

ASSETS

Cash and interest-bearing deposits	\$ 189,396
Receivables, net	<u>41,502</u>
Total assets	<u>\$ 230,898</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts and other payables	\$ 2,481
Fund balance:	
Unassigned	<u>228,417</u>
Total liabilities and fund balance	<u>\$ 230,898</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, 2021

Total fund balance for the governmental fund at June 30, 2021		\$ 228,417
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 \$29,612 accumulated depreciation	\$ 474	
Furniture and equipment, net of \$27,489 accumulated depreciation	<u>23,010</u>	23,484
Some liabilities are not due and payable from current financial resources and, therefore, are not reported in the funds. These liabilities consist of:		
OPEB liability		<u>(49,407)</u>
Net position at June 30, 2021		<u>\$ 202,494</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, 2021

Revenues:	
Sales tax collection fees	\$ 487,390
Interest income	<u>1,276</u>
Total revenues	<u>488,666</u>
Expenditures:	
Current -	
General government:	
Personnel services and related benefits	184,749
Operating services	81,131
Material and supplies	30,321
Surplus distribution	<u>146,417</u>
Total expenditures	<u>442,618</u>
Net change in fund balance	46,048
Fund balance, beginning	<u>182,369</u>
Fund balance, ending	<u>\$ 228,417</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, 2021

Total net change in fund balance for year ended June 30, 2021 per the statement of revenues, expenditures and change in fund balance	\$ 46,048
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	(8,447)
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. OPEB liability	<u>(1,901)</u>
Change in net position for the year ended June 30, 2021 per the statement of activities	<u>\$ 35,700</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, 2021

ASSETS

Cash and interest-bearing deposits	\$ 203,819
Accounts receivable	<u>2,046,053</u>
Total assets	<u>2,249,872</u>

LIABILITIES

Accounts payable	<u>2,046,062</u>
------------------	------------------

NET POSITION

Restricted for organizations and other governments	<u>\$ 203,810</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 Changes Fiduciary Net Position
Fiduciary Fund - Custodial Fund
For the Year Ended June 30, 2021

Additions:	
Sales tax collections	\$ 22,121,925
Sales tax collections paid under protest	14,647
Interest earned	<u>803</u>
Total additions	<u>22,137,375</u>
Deductions:	
Transfer to taxing bodies	22,091,872
Sales tax collection audit fees	<u>29,617</u>
Total reductions	<u>22,121,489</u>
Net Changes in fiduciary net position	15,886
Net position - beginning, as restated	<u>187,924</u>
Net position - ending	<u>\$ 203,810</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 account groups 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 -

Custodial 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, 2021 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, 2021.

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 accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, 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, 2021, 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	\$ 87,840	\$ 203,819	\$ 291,659
Time and savings deposits	101,556	-	101,556
Total	\$ 189,396	\$ 203,819	\$ 393,215

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, 2021, bank balances were secured as follows:

Bank balances	\$ 2,250,180
Federal deposit insurance	\$ 351,556
Pledged securities	1,898,624
Total	\$ 2,250,180

Deposits in the amount of \$1,898,624 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, 2021 follows:

	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021
Furniture and equipment	\$ 53,648	\$ -	\$ 3,149	\$ 50,499
Building and improvements	34,061	-	3,975	30,086
Totals	87,709	-	7,124	80,585
Less: Accumulated depreciation	55,778	8,447	7,124	57,101
Net capital assets	\$ 31,931	\$ (8,447)	\$ -	\$ 23,484

Depreciation expense of \$8,447 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 \$13,500 for any calendar year. The Tax Commission's contribution during the year ended June 30, 2021 amounted to \$4,379.

(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 \$49,407 was measured as of June 30, 2021 using the alternative measurement method in place of an actuarial valuation.

Actuarial assumptions and other inputs: The total OPEB liability in the June 30, 2021 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	4.9% decreasing to 4.3% 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, 2020	<u>\$ 47,507</u>
Changes for the year:	
Service cost	5,401
Interest on total OPEB liability	1,889
Effect of economic/demographic (gains) or losses	1,829
Benefit payments	<u>(7,219)</u>
Net change in total OPEB liability	<u>1,900</u>
Balance as of June 30, 2021	<u>\$ 49,407</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>\$ 52,422</u>	<u>\$ 49,407</u>	<u>\$ 46,644</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>4.3%</u>	<u>4.9%</u>	<u>5.5%</u>
Total OPEB liability	<u>\$ 46,189</u>	<u>\$ 49,407</u>	<u>\$ 52,873</u>

Evangeline Parish Sales and Use Tax Commission
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

OPEB Expense/Benefit

For the year ended June 30, 2021, the Tax Commission recognized an OPEB expense of \$9,120.

(6) Collections on Behalf of Other Taxing Authorities

	Total Collections	Collection Cost	Final Distribution
Evangeline Parish School Board	\$ 9,028,036	\$ 192,118	\$ 8,835,918
Evangeline Parish Solid Waste Commission	4,514,018	96,058	4,417,960
City of Ville Platte	3,350,632	74,432	3,276,200
Town of Basile	194,650	4,028	190,622
Village of Pine Prairie	250,882	5,380	245,502
Village of Chataignier	32,984	666	32,318
Town of Mamou	732,616	16,565	716,051
Village of Turkey Creek	100,661	1,809	98,852
Evangeline Parish Police Jury	4,367,727	89,278	4,278,449
	<u>\$ 22,572,206</u>	<u>\$ 480,334</u>	<u>\$ 22,091,872</u>

Taxes in the amount of \$14,647 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, 2021 as follows:

Donald Bergeron	\$ 3,600
Arthur Savoy	3,000
Leon Estes	4,800
Justin Darbonne	3,600
Quent West	3,600
Phillip Cavins	3,600
Ricky Fontenot	3,600
Jennifer Vidrine	3,600
Mark Denette	3,600
	<u>\$ 33,000</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, 2021 follows:

Purpose	Amount
Salary	\$ 64,890
Benefits - health insurance	6,837
Auto allowance	1,200
Meals	18
Registration	90
Mileage	95
	\$ 73,130

(9) New Accounting Pronouncements

As of July 1, 2020, the Tax Commission adopted the requirements of GASB Statement No. 84, *Fiduciary Activities*. This Statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement establishes criteria for identifying fiduciary activities of all state and local governments. With the adoption of GASB Statement No. 84, a statement of fiduciary net position and a statement of changes in fiduciary net position have been presented as part of the basic financial statements. These statements consist of the Tax Commission's custodial fund (formerly agency fund). The changes have the following effect on the account listed below at June 30, 2020:

Accounts Affected	As Previously Reported	After adoption of GASB 84
Accounts receivable	\$ -	\$ 1,764,272
Accounts payable	-	1,764,164
Due to taxing bodies and others	187,816	-
Net position restricted for individuals, organizations, and other governments	-	187,924

(10) 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.

(11) Litigation

There is no litigation pending against the Tax Commission at June 30, 2021.

**REQUIRED
SUPPLEMENTARY INFORMATION**

Evangeline Parish Sales and Use Tax Commission
Ville Platte, Louisiana

General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Sales tax collection fees	\$ 370,493	\$ 482,988	\$ 487,390	\$ 4,402
Interest income	1,350	985	1,276	291
Total revenues	<u>371,843</u>	<u>483,973</u>	<u>488,666</u>	<u>4,693</u>
Expenditures:				
Current -				
General government:				
Personnel services and related benefits	204,984	222,798	184,749	38,049
Operating services	99,700	82,680	81,131	1,549
Material and supplies	31,500	31,811	30,321	1,490
Surplus distribution	-	146,500	146,417	83
Capital outlay	5,000	-	-	-
Total expenditures	<u>341,184</u>	<u>483,789</u>	<u>442,618</u>	<u>41,171</u>
Net change in fund balance	30,659	184	46,048	(45,864)
Fund balance, beginning	<u>182,369</u>	<u>182,369</u>	<u>182,369</u>	<u>-</u>
Fund balance, ending	<u>\$ 213,028</u>	<u>\$ 182,553</u>	<u>\$ 228,417</u>	<u>\$ (45,864)</u>

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, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service cost	\$ 5,401	\$ 5,401	\$ 9,389	\$ 16,094
Interest on total OPEB liability	1,889	5,843	1,740	2,920
Effect of economic/demographic gains (losses)	1,829	(107,242)	29,250	(130,229)
Effect of assumptions changes or inputs	-	-	(54,306)	-
Benefit payments	<u>(7,219)</u>	<u>(7,219)</u>	<u>-</u>	<u>-</u>
Net change in OPEB liability	1,900	(103,217)	(13,927)	(111,215)
Total OPEB liability, beginning	<u>-</u>	<u>150,724</u>	<u>164,651</u>	<u>275,866</u>
Total OPEB liability, ending	<u>\$ 1,900</u>	<u>\$ 47,507</u>	<u>\$ 150,724</u>	<u>\$ 164,651</u>
Covered payroll	<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>1.84%</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, 2021

(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>
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, 2021

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Expenditures:				
Current -				
Personnel services and related benefits -				
Salaries	\$ 165,984	\$ 184,098	\$ 148,606	\$ 35,492
Payroll taxes	12,700	11,018	11,945	(927)
Retirement	4,400	3,982	4,379	(397)
Health benefits	<u>21,900</u>	<u>23,700</u>	<u>19,819</u>	<u>3,881</u>
Total personnel services and related benefits	<u>204,984</u>	<u>222,798</u>	<u>184,749</u>	<u>38,049</u>
Operating services -				
Insurance	5,500	5,500	5,246	254
Miscellaneous	11,000	7,118	3,552	3,566
Outside services	-	-	2,400	(2,400)
Per diem	33,600	32,800	33,000	(200)
Professional fees	32,300	27,845	26,435	1,410
Rent	-	-	1,427	(1,427)
Telephone	3,800	3,676	4,374	(698)
Travel	9,000	2,263	1,363	900
Utilities	4,000	2,934	3,118	(184)
Workers' compensation	<u>500</u>	<u>544</u>	<u>216</u>	<u>328</u>
Total operating services	<u>99,700</u>	<u>82,680</u>	<u>81,131</u>	<u>1,549</u>
Materials and supplies -				
Office supplies	7,500	7,400	6,558	842
Postage	7,500	5,673	5,847	(174)
E-file expense	6,000	5,018	4,622	396
Repairs	<u>10,500</u>	<u>13,720</u>	<u>13,294</u>	<u>426</u>
Total materials and supplies	<u>31,500</u>	<u>31,811</u>	<u>30,321</u>	<u>1,490</u>
Distribution of surplus funds	<u>-</u>	<u>146,500</u>	<u>146,417</u>	<u>83</u>
Capital outlay	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 341,184</u>	<u>\$ 483,789</u>	<u>\$ 442,618</u>	<u>\$ 41,171</u>

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

Victor R. Slaven, CPA* - retired 2020

* A Professional Accounting Corporation

183 S. Beadle Rd. 11929 Bricksome Ave.
Lafayette, LA 70508 Baton Rouge, LA 70816
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.
Ville Platte, LA 70586 Oberlin, LA 70655
Phone (337) 363-2792 Phone (337) 639-4737

WWW.KCSRCPAS.COM

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 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, 2021, 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 30, 2021.

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 may exist that have not been identified.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 30, 2021

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, 2021

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

There were no compliance findings noted.

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

2020-001 Compliance with Bid Law

CONDITION: The Tax Commission did not follow the requirements of R.S. 38:2211, the Public Bid Law, or R.S. 38:2234, the Political Subdivisions Telecommunications and Data Processing Procurement Law, for the purchase of software in excess of \$30,000.

RECOMMENDATION: The Tax Commission should follow all requirements of the Public Bid Law.

CURRENT STATUS: Resolved.