

MOREHOUSE SALES & USE TAX COMMISSION  
BASTROP, LOUISIANA

---

---

FINANCIAL STATEMENTS  
AND SUPPLEMENTAL SCHEDULES  
AS OF AND FOR THE YEAR ENDED  
JUNE 30, 2025

**MOREHOUSE SALES & USE TAX COMISSION  
BASTROP, LOUISIANA**

**TABLE OF CONTENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

**CONTENTS**

	Page
<b>INDEPENDENT AUDITOR'S REPORT</b>	1-3
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS</b>	
Statement of Net Position	4
Statement of Activities	5
<b>FUND FINANCIAL STATEMENTS</b>	
Governmental Funds:	
Balance Sheet	6
Reconciliation of the Governmental Funds' Balance Sheet to the Statement of Net Position	7
Statement of Revenues, Expenditures, and Changes in Fund Balances	8
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	9
Fiduciary Funds - Custodial Fund:	
Statement of Net Position	10
Statement of Changes in Fiduciary Net Position	11
Notes to Financial Statements	12-27
<b>REQUIRED SUPPLEMENTAL INFORMATION</b>	
Budgetary Comparison Schedule - General Fund	28
Employee Health Care Plan - Schedule of Funding Progress	29
Schedule of Employer's Proportionate Share of Net Pension Liability	30
Schedule of Employer's Contributions	31
<b>OTHER SUPPLEMENTAL SCHEDULES</b>	
Schedule of Compensation, Benefits and Other Payments to Agency Head	32
Schedule of Collections, Distributions, and Costs of Collection – Cash Basis	33
<b>OTHER REPORTS</b>	
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 Findings and Responses	36-37
Summary Schedule of Prior Year Findings	38
Statewide Agreed-Upon Procedures Representation Letter	39-42
Independent Accountant's Report on Applying Agreed-Upon Procedures	43-57



## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
**Morehouse Sales & Use Tax Commission**  
Bastrop, Louisiana

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Morehouse Sales & Use Tax Commission, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Morehouse Sales & Use Tax Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information, of the Morehouse Sales & Use Tax Commission, as of June 30, 2025, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

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

#### Responsibilities of Management for the Financial Statements

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Louisiana Governmental Audit Guide*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Morehouse Sales & Use Tax Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Morehouse Sales & Use Tax Commission's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

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

Morehouse Sales & Use Tax Commission  
Bastrop, Louisiana  
Independent Auditor's Report  
June 30, 2025

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.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Morehouse Sales & Use Tax Commission's basic financial statements. The accompanying Schedule of Compensation, Benefits, and Other Payments to Agency Head; and the Schedule of Collections Distributions, and Costs of Collections, Cash Basis, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to Agency Head; and the Schedule of Collections Distributions, and Costs of Collections, Cash Basis are 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 December 31, 2025, on our consideration of the Morehouse Sales & Use Tax Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Morehouse Sales & Use 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 Morehouse Sales & Use Tax Commission's internal control over financial reporting and compliance.

**BOSCH & STATHAM, LLC**  
*Bosch & Statham*  
Ruston, Louisiana  
December 31, 2025

## **Basic Financial Statements**

**MOREHOUSE SALES & USE TAX COMISSION  
BASTROP, LOUISIANA**

**GOVERNMENTAL ACTIVITIES  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2025**

**ASSETS**

Cash and cash equivalents	\$ 1,001,025
Capital assets, net of accumulated depreciation	9,786
<b>TOTAL ASSETS</b>	<b>1,010,811</b>

**DEFERRED OUTFLOWS**

Pension related	38,858
OPEB related	35,015
<b>TOTAL DEFFERED OUTFLOWS</b>	<b>73,873</b>

**LIABILITIES**

Current liabilities:	
Accounts, salaries and other payables	4,710
Noncurrent liabilities:	
Net pension liability	156,197
Net OPEB liability	161,052
<b>TOTAL LIABILITIES</b>	<b>321,959</b>

**DEFERRED INFLOWS**

Pension related	7,274
OPEB related	2,060
<b>TOTAL DEFFERED INFLOWS</b>	<b>9,334</b>

**NET POSITION**

Net investment in capital assets	9,786
Unrestricted net position	743,605
<b>TOTAL NET POSITION</b>	<b>\$ 753,391</b>

*The accompanying notes are an integral part of these financial statements.*

**MOREHOUSE SALES & USE TAX COMISSION  
BASTROP, LOUISIANA**

**GOVERNMENTAL ACTIVITIES  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2025**

**NET (EXPENSES) REVENUES AND  
CHANGES IN NET POSITION**

<b>FUNCTIONS - GOVERNMENTAL ACTIVITIES</b>	<b>EXPENSES</b>	<b>PROGRAM REVENUES</b>		<b>GOVERNMENTAL ACTIVITIES</b>	
		<b>CHARGES FOR SERVICES</b>	<b>OPERATING GRANTS AND CONTRIBUTIONS</b>		<b>CAPITAL GRANTS AND CONTRIBUTIONS</b>
General government	\$ 347,876	\$ 398,548	\$ -	\$ -	\$ 50,672
General revenues:					
Unrestricted investment earnings					10,174
Other					14,632
Total general revenues					24,806
<b>Change in net position</b>					75,478
Net position at beginning of year, restated					677,913
<b>Net position at end of year</b>					\$ 753,391

*The accompanying notes are an integral part of these financial statements.*

**MOREHOUSE SALES & USE TAX COMISSION  
BASTROP, LOUISIANA**

**GOVERNMENTAL FUNDS - BALANCE SHEET - GENERAL FUND  
AS OF JUNE 30, 2025**

**ASSETS**

Cash and cash equivalents	<u>\$ 1,001,025</u>
---------------------------	---------------------

**LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES**

Liabilities:

Accounts, salaries, and other current payables	<u>\$ 4,710</u>
--	-----------------

Fund balances:

Unassigned	<u>996,315</u>
------------	----------------

**TOTAL LIABILITIES, DEFERRED INFLOWS, AND  
FUND BALANCES**

\$ 1,001,025

*The accompanying notes are an integral part of these financial statements.*

**MOREHOUSE SALES & USE TAX COMISSION  
BASTROP, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS' BALANCE  
SHEET TO THE STATEMENT OF NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2025**

---

Total fund balances - governmental funds	\$ 996,315
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources	9,786
Deferred outflows - pension related	38,858
Deferred outflows - OPEB related	35,015
Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund statements:	
Net OPEB obligation	(161,052)
Net pension liability	(156,197)
Deferred inflows - pension related	(7,274)
Deferred inflows - OPEB related	<u>(2,060)</u>
Net position of governmental activities	<u><u>\$ 753,391</u></u>

*The accompanying notes are an integral part of these financial statements.*

**MOREHOUSE SALES & USE TAX COMISSION  
BASTROP, LOUISIANA**

**GOVERNMENTAL FUNDS - STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2025**

---

Revenues:	
Charges for services	\$ 398,548
Investment earnings	10,174
Other revenues	1,703
Total revenues	<u>410,425</u>
Expenditures:	
Current:	
General government	<u>329,040</u>
<b>Net change in fund balances</b>	81,385
Fund balances at beginning of year, restated	914,930
<b>Fund balances at end of year</b>	<u><u>\$ 996,315</u></u>

*The accompanying notes are an integral part of these financial statements.*

**MOREHOUSE SALES & USE TAX COMISSION  
BASTROP, LOUISIANA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2025**

---

Net change in fund balances - total governmental funds \$ 81,385

**Amounts reported for governmental activities in the statement of activities are  
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 (8,425)

Some items reported in the statement of activities, such as the change in the OPEB obligation, change in GASB 68 pension liability, or a net decrease or increase in compensated absences, do not require the use of current financial resources, nor do they provide any, and therefore are not reported as expenditures or revenues in the governmental funds:

Change in OPEB obligation (16,134)

Pension expense 14,109

Nonemployer contributions to pension plan 4,543

Change in net position of governmental activities \$ 75,478

*The accompanying notes are an integral part of these financial statements.*

**MOREHOUSE SALES & USE TAX COMISSION  
BASTROP, LOUISIANA**

**FIDUCIARY FUND TYPE - CUSTODIAL FUND  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2025**

---

**ASSETS**

Cash and cash equivalents, restricted

\$ 541,091

**LIABILITIES**

Due to taxing bodies and others

\$ 541,091

*The accompanying notes are an integral part of these financial statements.*

**MOREHOUSE SALES & USE TAX COMISSION  
BASTROP, LOUISIANA**

**FIDUCIARY FUND TYPE - CUSTODIAL FUND  
STATEMENT OF CHANGES IN FIDUCIARY NET POSTION  
AS OF JUNE 30, 2025**

---

Unsettled balances due to taxing bodies and others - beginning, restated	<u>\$ 630,382</u>
Additions:	
Sales and use taxes	23,577,973
Hotel/motel occupancy tax	46,113
Interest	<u>6,952</u>
Total additions	<u>23,631,038</u>
Reductions:	
Taxes distributed	
Sales and use	23,171,265
Hotel/motel occupancy	46,023
Refunded sales and use tax	84,775
Revenue recovery fees	9,736
Collection fee to Commission	397,999
Other settlements	<u>10,531</u>
Total reductions	<u>23,720,329</u>
Unsettled balances due to taxing bodies and others - ending	<u><u>\$ 541,091</u></u>

*The accompanying notes are an integral part of these financial statements.*

**MOREHOUSE SALES & USE TAX COMMISSION  
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Morehouse Sales & Use Tax Commission (the "Commission") was created by joint agreement of the sales and use taxing bodies of Morehouse Parish, Louisiana, on May 7, 1992, in accordance with Louisiana Revised Statute 33:2844. The purpose of the Commission is to provide centralized collection, enforcement, and administration of sales and use taxes within Morehouse Parish. The governing body of the Commission is comprised of nine non-compensated board members which are appointed as follows:

	<u>Members Appointed</u>
Morehouse Parish School Board	2
Morehouse Parish Police Jury	1
Morehouse Parish Sheriff	1
City of Bastrop	2
Village of Mer Rouge	1
Village of Bonita	1
Village of Collinston	1

Each appointee of Morehouse Parish School Board and City of Bastrop, as well as the appointees of Morehouse Parish Police Jury and Sheriff of Morehouse Parish, have one full vote as a commissioner and the appointees from Village of Mer Rouge, Village of Bonita, and Village of Collinston have one-third vote each as a commissioner. Each appointed commissioner serves a one year term ending on June 30th of each year.

The Commission has entered into a joint agreement with Morehouse Parish Tourism Commission to collect, enforce, and administer the respective hotel/motel occupancy tax as authorized and levied by Morehouse Parish Tourism Commission within the boundaries of Morehouse Parish. The joint agreement also authorizes the Commission to institute suits in the name of Morehouse Parish Tourism Commission to enforce the collection of such tax. The joint agreement runs in perpetuity provided, however, that either party may withdraw from the agreement upon 90 day written notice to the authorized representative. For services performed by the Commission under the joint agreement, Morehouse Parish Tourism Commission pays the Commission \$50 per month for collection of ten and under account transactions of any tax activity. If the number of tax account activities exceeds the maximum of ten accounts, the collection fee will be negotiated between the two parties and attached as an amendment to the agreement.

GASB Statement No. 14, The Reporting Entity, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the Commission is a jointly appointed stand-alone government, as it meets neither the criteria of a primary government, nor a component unit, since its governing board is not elected, and it is not fiscally dependent upon any of the constituent governments. As used in GASB Statement No. 14, fiscally independent means that the Commission may, without the approval or consent of another governmental entity, determine or modify its own budget and set its own rates or charges. The Commission has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the appointed Board of Commissioners are financially accountable.

**MOREHOUSE SALES & USE TAX COMMISSION  
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

The more significant of the Commission’s accounting policies are described below:

**Government-wide Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Commission as a whole.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities summarizing the fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include charges for services which report charges to users of the Commission’s services. These revenues are subject to externally imposed restrictions to these program uses. Other revenue sources not properly included within the program revenues are reported as general revenues.

**Fund Financial Statements**

Fund financial statements are provided for governmental funds with the major governmental fund reported in a single column.

**Basis of Accounting, Measurement Focus, and Financial Statement Presentation**

The financial statements of the Commission are prepared in accordance with generally accepted accounting principles (“GAAP”).

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Expenditures are recorded when the related fund liability is incurred. There are no major revenue sources susceptible to accrual.

Fiduciary fund reporting focuses on net assets and changes in net assets. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, fiduciary funds have no measurement focus, but use the modified accrual basis of accounting.

**MOREHOUSE SALES & USE TAX COMMISSION  
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Fund Type and Major Fund**

The Commission's financial statements present the General Fund and a fiduciary fund type - custodial fund. The custodial fund accounts for assets held by the Commission as agent for various taxing bodies. These resources are not available to support the Commission.

**Budgets and Budgetary Accounting**

The budget for the General Fund was proposed by the Commission's administrator and formally adopted by the Board of Commissioners on June 18, 2024 with one amendment approved June 17, 2025. The annual budget is prepared in accordance with the basis of accounting utilized by the fund. Any revisions that alter total expenditures, resulting from revenues exceeding estimated, require approval of the Commissioners. All annual appropriations lapse at the end of each fiscal year.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cash**

Cash includes amounts in interest bearing demand deposits. Under state law, the Commission may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**Restricted Assets**

Restricted assets are reported for cash legally restricted for specified uses such as the repayment of sales taxes paid under protest.

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, then unrestricted resources as needed.

**MOREHOUSE SALES & USE TAX COMMISSION  
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Capital Assets and Depreciation**

The Commission's furniture, equipment, and vehicles with useful lives of more than one year are stated at historical cost. Capital assets are comprehensively reported in the government-wide financial statements.

The Commission generally capitalizes assets with costs of \$1,000 or more as purchase outlays occur. The costs of normal maintenance and repairs not adding to an asset's value or materially extending its useful life are not capitalized. Capital assets are depreciated using the straight-line method over estimated useful lives of five years. Upon disposition of capital assets, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

**Accumulated Compensated Absences Recorded as Long-Term Liabilities**

Allowable annual vacation and sick leave is prescribed by the Commission's personnel policy, based on length of continuous employment by the Commission, accrued on an employment anniversary basis, and accrued to specified maximums. Hourly employees may elect compensatory time in lieu of overtime pay with proper documentation and approval by the Commission's administrator. Compensatory time is granted to supervisory personnel in lieu of overtime pay.

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

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

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employee for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

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

1. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
2. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

**MOREHOUSE SALES & USE TAX COMMISSION  
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

The entity’s policy is to grant annual vacation leave to employees, which must be taken in the year following the year in which it is earned. Unused vacation time does not carry over to subsequent fiscal years and is forfeited if not used by the end of the fiscal year. However, if an employee is unable to utilize all vacation days earned during the fiscal year, up to a maximum of five days (forty hours) of unused vacation may be credited to the employee’s extended sick leave balance.

A liability for compensated absences is recognized in the government-wide financial statements for vacation and compensatory time earned but not yet taken, to the extent that it is probable employees will be compensated through paid time off or other means. The liability is measured at the pay rates in effect at the end of the fiscal year and includes salary-related payments directly and incrementally associated with payments for compensated absences. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

In the fund financial statements, liabilities for compensated absences are recognized only to the extent that payments are due and payable as of the fiscal year-end. Compensated absences are paid from the General Fund.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees Retirement System (“the Plan”), and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Other post-employment benefits**

The total OPEB liability represents the actuarial present value of projected benefit payments to be provided to current and former employees, attributable to their service through the measurement date, for benefits not administered through a qualifying trust. The City of Bastrop’s plan provides fully insured medical insurance coverage for current and retired employees (and eligible dependents) through the City’s medical plan. Expenses for the fully insured plans are included in the premium rate charged by the carrier and are reflected in the claim cost assumptions used in the actuarial valuation. The total OPEB liability is determined using the entry age normal actuarial cost method and incorporates assumptions such as discount rates and healthcare cost trend rates. This liability is recognized in the financial statements as employees earn their benefits, regardless of when the benefits are paid, and is not reduced by any plan assets since the plan is fully insured and self-funded. Changes in the total OPEB liability from year to year are recognized as OPEB expense or deferred outflows/inflows of resources, as appropriate, in accordance with GASB Statement No. 75 requirements.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expenditure until then. In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Commission’s deferred outflows and deferred inflows are resources related to pensions and OPEB.

**MOREHOUSE SALES & USE TAX COMMISSION  
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Equity Classifications**

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

1. Investment in capital assets - consists of capital assets net of accumulated depreciation.
2. Restricted net position - consists of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
3. Unrestricted net position - all other assets that do not meet the definition of “restricted” or “investment in capital assets”.

In the fund financial statements, governmental fund equity is classified as fund balance. These statements provide more clearly defined fund balance categories to make the nature and extent of the constraints placed on the Commission’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

1. Nonspendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
2. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
3. Committed fund balance - amounts constrained to specific purposes by the Commission itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the Commission takes the same highest level action to remove or change the constraint;
4. Assigned fund balance - amounts that the Commission intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
5. Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the General Fund.

**Revenue Recognition**

Fees for the collection of sales and use taxes are recorded when the Commission is entitled to the funds which is normally the same month the taxes are collected by the Commission.

**MOREHOUSE SALES & USE TAX COMMISSION  
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

**NOTE 2 – DEPOSITS WITH FINANCIAL INSTITUTIONS**

As of June 30, 2025, the Commission had cash and restricted cash deposits (book balances) as follows:

Primary government:	
Demand deposits	\$ 1,000,755
Petty cash	270
Total	<u>1,001,025</u>
Amounts held in custodial fund	541,091
Total primary government	<u><u>\$ 1,542,116</u></u>

The deposits are stated at cost, which approximates market. Under state law, the deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank and deposited with an unaffiliated 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.

As of June 30, 2025, the Commission had the following in deposits (collected bank balances).

Insured by FDIC	<u>\$ 350,000</u>
Uninsured and uncollateralized	-
Collateralized by pledged securities not in the Commission's name	<u>1,240,454</u>
Total balances exposed to custodial credit risk	<u>1,240,454</u>
<b>Total bank balances</b>	<u><u>\$ 1,590,454</u></u>

There were no repurchase or reverse repurchase agreements as of June 30, 2025.

The Commission had not formally adopted deposit and investment policies as of June 30, 2025 that limited the Commission's allowable deposits or investments and addressed the specific types of risk to which the Commission might be exposed.

**NOTE 3 – RESTRICTED CASH**

As of the reporting date, the fiduciary fund includes restricted cash totaling \$439,247. These funds are required to be maintained in accordance with legal or contractual obligations and are restricted for the sole purpose of repaying sales taxes that have been paid under protest. The corresponding liability is payable only from these restricted funds.

**MOREHOUSE SALES & USE TAX COMMISSION  
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

**NOTE 4 – CAPITAL ASSETS**

The following presents changes in capital assets and accumulated depreciation:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Capital assets being depreciated:</b>				
Leasehold improvements	\$ 12,000	\$ -	\$ -	\$ 12,000
Furniture and equipment	67,071	-	-	67,071
Vehicles	27,731	-	-	27,731
Total capital assets being depreciated	<u>106,802</u>	<u>-</u>	<u>-</u>	<u>106,802</u>
<b>Less accumulated depreciation for:</b>				
Leasehold improvements	5,473	3,535	-	9,008
Furniture and equipment	55,387	4,890	-	60,277
Vehicles	27,731	-	-	27,731
Total accumulated depreciation	<u>88,591</u>	<u>8,425</u>	<u>-</u>	<u>97,016</u>
<b>Total capital assets, net</b>	<u>\$ 18,211</u>	<u>\$ (8,425)</u>	<u>\$ -</u>	<u>\$ 9,786</u>

**NOTE 5 – PENSION PLAN AND OTHER PENSION LIABILITIES**

The Commission’s employees are provided with benefits through the following multiple-employer cost-sharing plan. Municipal Employees Retirement System (Plan A) (“MERS”) provides retirement benefits to employees of all incorporated villages, towns and cities within the state which did not have their own retirement system and which elected to become members of the system.

**General information about the Plan:**

MERS membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week. Those individuals paid jointly by a participating employer and the parish are not eligible for members, with exceptions outlined in the Louisiana Revised Statutes. The Commission participates in Plan A and provides retirement benefits to any member of Plan A who was hired before January 1, 2013 meeting one of the following criteria:

- Any age with 25 or more years of creditable service
- Age 60 with a minimum of 10 years creditable service
- Any age with 5 years of creditable service for disability benefits
- Survivor’s benefits require 5 years of creditable service at death of member
- Any age with 20 years of creditable service, exclusive of military service with an actuarially reduced early benefit.

**MOREHOUSE SALES & USE TAX COMMISSION  
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

**NOTE 5 - PENSION PLAN AND OTHER PENSION LIABILITIES (CONTINUED)**

For members hired after January 1, 2013, benefits are provided to any member of Plan A meeting one of the following criteria:

- Age 67 with 7 or more years of creditable service
- Age 62 with 10 or more years of creditable service
- Age 55 with 30 or more years of creditable service
- Any age with 25 years of service, exclusive of military service and unused sick leave, with an actuarially reduced early benefit.

General the monthly retirement allowance for any member of Plan A consists of an amount equal to 3% of the member's monthly average final compensation times years of creditable service. Survivor, death and disability benefits are also provided under the plan.

In lieu of terminating employment and accepting a service retirement allowance, any member who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During such period, employer contributions continue but employee contributions cease. Monthly benefits that the member would have received during the DROP period are paid into the DROP fund. Interest is earned when the member has completed DROP participation, based on the actual rate of return on the investments identified as DROP funds for the period. No cost-of-living increases are payable to participants until employment has been terminated for at least one full year.

For the years ended June 30, 2025 and 2024 (Plan years 2024 and 2023), the actual employer contribution rates were 29.50% and 29.50%, respectively, and the actuarially required contribution rates were 29.50% and 29.50%. State statutes require that rates be actuarially determined each year.

The plan receives ad valorem and state revenue sharing funds as employer contributions and those amounts are considered support from nonemployer contributing entities but are not considered as special funding situations.

The estimated real rate of return for each major asset class is as follows:

<u>Asset Class</u>	<u>Long-Term Target Asset Allocation</u>	<u>Expected Portfolio Real Rate of Return</u>
Public fixed income	29%	1.26%
Public equity	56%	2.44%
Alternatives	<u>15%</u>	<u>0.65%</u>
Totals	<u>100%</u>	4.35%
Inflation		<u>2.50%</u>
Expected Arithmetic Nominal Return		<u>6.85%</u>

**MOREHOUSE SALES & USE TAX COMMISSION  
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

**NOTE 5 - PENSION PLAN AND OTHER PENSION LIABILITIES (CONTINUED)**

**Pension liabilities, pension expense and deferred outflows of resources and deferred inflows of resources:**

As of June 30, 2025 and 2024 (Plan years 2024 and 2023) the Commission reported a total of \$156,197 and \$204,851, respectively, for its proportionate shares of the net pension liability of the Plan.

The net pension liabilities were measured as of June 30, 2024 and 2023 (the measurement dates), and the total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of those dates. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term contributions to the plans relative to the projected contributions of all participating employers, actuarially determined. The Commission's proportions of the Plan as of June 30, 2024 and 2023 were 0.055507% and 0.056049%, respectively.

For the years ended June 30, 2025 and 2024, the Commission recognized pension expense of \$21,795 and \$28,938, respectively.

In addition, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources as of the Plan year ended June 30, 2024:

	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Changes in proportion	\$ 1,037	\$ 1,181
Changes in assumptions	-	921
Differences between expected and actual experience	-	5,172
Net difference between projected and actual earnings on pension plan investments	2,103	-
Contributions subsequent to the measurement date	<u>35,718</u>	<u>-</u>
	<u>\$ 38,858</u>	<u>\$ 7,274</u>

**MOREHOUSE SALES & USE TAX COMMISSION  
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

**NOTE 5 - PENSION PLAN AND OTHER PENSION LIABILITIES (CONTINUED)**

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2026	\$ (4,755)
2027	9,861
2028	(5,362)
2029	(3,878)
2030	-
Thereafter	-

**Actuarial assumptions:**

The total pension liabilities in the June 30, 2024 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

Inflation	2.50%
Salary increases	4.40% - 9.0%
Investment rate of return	6.85%
Actuarial cost method	Entry age normal
Expected remaining service lives	3 years

Mortality rates were based on the PubG-2010(B) Employee Table asset set to 115% for active members, Healthy Annuitant Table set to 115% for healthy annuitants, and PubNS-2010(B) Disabled Retiree Table set to 115% for disabled annuitants.

The investment rate of return was determined based on expected cash flows which assume that contributions from plan members will be made at current contribution rates and that contributions will be made at the actuarially determined rates approved by the Louisiana Public Retirement Systems' Actuarial Committee, taking into consideration the recommendation of the System's actuary. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the investment rate of return on plan investments was applied as the discount rate to all periods of projected benefit payments to determine the total pension liability.

**MOREHOUSE SALES & USE TAX COMMISSION  
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

**NOTE 5 - PENSION PLAN AND OTHER PENSION LIABILITIES (CONTINUED)**

**Sensitivity of the proportionate share of the net pension liabilities to changes in the discount rate:**

The following presents the proportionate share of the net pension liability of the plan as of the Plan year ended June 30, 2024, calculated using the discount rates as shown above, as well as what the proportionate share of the net pension liability would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

<b>1% Decrease (5.85%)</b>	<b>Current Discount Rate (6.85%)</b>	<b>1% Increase (7.85%)</b>
\$ 235,209	\$ 156,197	\$ 89,496

**Pension plan fiduciary net position:**

Detailed information about the Plan’s fiduciary net position is available in the separately issued financial statements of the Plan.

**NOTE 6 - POST EMPLOYMENT HEALTH CARE BENEFITS**

**Plan Description, Benefits Provided, and Funding Policy:**

The Commission provides fully insured medical insurance coverage for current and retired employees (and eligible dependents) through the City of Bastrop’s (the “City” medical plan. The plan does not issue a stand-alone financial report. Additionally, no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Post Employment Benefits Other than Pensions.

To be eligible to continue coverage under the City’s plan, an employee must retire from the Commission and receive or be eligible to receive retirement funds through Deferred Normal Retirement/Vesting or Disabled Retirement from MERS. This benefit for retirees and a similar benefit for active employees are provided through an insurance company whose monthly premiums are paid by the City with the Commission making reimbursement payments.

The Commission pays 100% of the premium for eligible retirees and 50% for their eligible dependents.

Effective July 1, 2024, pre-65 retirees are eligible for an HMO option or a “preferred” option. In the July 1, 2023 fiscal year, the City still offered the Freedom plan. Medicare-eligible retirees can enroll in a Medicare plan.:

**MOREHOUSE SALES & USE TAX COMMISSION  
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

**NOTE 6 - POST EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)**

**Employees Covered by Benefit Terms:**

As of June 30, 2025, two inactive employees and three active employees were currently receiving benefit payments.

**Actuarial Assumptions and Other Inputs:**

The total OPEB liability was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified.

Measurement date	6/30/2025
Actuarial valuation date	7/1/2023
Inflation	2.40%
Salary increases, including inflation Discount rate	4.81%
Prior year discount rate	4.21%

The discount rate was based on the 6/30/2025 S&P Municipal Bond 20-Year High Grade Index Yield.

Mortality rates for active employees were based on the PubG.H-2010 Employee mortality table, Generational with Projection Scale MP-2021 for males or females, as appropriate.

Mortality rates for retirees employees were based on the PubG.H-2010 Healthy Retiree mortality table, Generational with Projection Scale MP-2021 for males or females, as appropriate.

Mortality rates for retirees employees were based on the PubG.H-2010 Disabled Mortality Table, Generational with Projection Scale MP-2021 for males or females, as appropriate.

Beginning net OPEB obligation (Asset) 7/1/2024	<u>\$ 115,157</u>
Changes for the year:	
Service Cost	3,401
Interest	5,506
Differences between expected and actual experience	749
Changes in assumptions	44,624
Benefit payments and net transfers	<u>(8,385)</u>
Net Changes	45,895
Ending net OPEB obligation (Asset) 6/30/2025	<u><u>\$ 161,052</u></u>

For the year ended June 30, 2025, the covered employee payroll was \$116,466 and the total OPEB liability as a percentage of covered employee payroll was 138.30%.

**MOREHOUSE SALES & USE TAX COMMISSION  
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

**NOTE 6 - POST EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)**

**Sensitivity of Total OPEB Liability:**

<b>Healthcare Trend</b>		
1% Decrease	Total OPEB Liability	1% Increase
\$ 135,719	\$ 161,052	\$ 193,865

<b>Discount Rate</b>		
1% Decrease	Total OPEB Liability	1% Increase
\$ 188,208	\$ 161,052	\$ 139,581

**OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB:**

OPEB Expense:

Service Cost	\$ 3,401
Interest on Liabilities	5,506
Difference between Actual and Expected Experience	5,298
Changes in Assumptions/Inputs	10,315
Change in Benefit Terms	-
Total OPEB Expense	<u>\$ 24,520</u>

Deferred outflows and inflows:

	<u>Outflows</u>	<u>Inflows</u>
Difference between actual and expected experience	\$ 5,266	\$ -
Changes in assumptions/inputs	29,749	2,060
Employer amounts for OPEB subsequent to measurement date	-	-
Total deferred outflows and inflows	<u>\$ 35,015</u>	<u>\$ 2,060</u>

Amounts reported for deferred outflows of resources and deferred inflows of resources related to OPEB expense of \$35,015 and \$2,060 will be recognized in the years ending June 30, 2026, and 2027, respectively.

**MOREHOUSE SALES & USE TAX COMMISSION  
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

**NOTE 7 – CONTINGENCIES AND RISK MANAGEMENT**

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission carries commercial insurance for all risks of loss, including workers' compensation and employee health and accident insurance. There have been no significant reductions in the insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage for each of the past three fiscal years.

As of June 30, 2025, management is not aware of any pending or threatened litigation, claims, or assessments against the Morehouse Sales & Use Tax Commission that would have a material adverse effect on the financial position or results of operations of the government. Legal counsel has confirmed that there are no such matters requiring disclosure or accrual in the financial statements.

**NOTE 8 - GRANTS**

The commission reported no grant activity for the year ended June 30, 2025.

**NOTE 9 – STEWARDSHIP**

The following presents variances between budget and actual expenditures for the year ended June 30, 2025:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
General	\$ 303,817	\$ 329,040	\$ (25,223)

**NOTE 10 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 31, 2025, the date on which the financial statements were available to be issued.

*The remainder of this page is intentionally blank.*

**MOREHOUSE SALES & USE TAX COMMISSION  
BASTROP, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

**NOTE 11 – NEW ACCOUNTING STANDARDS**

GASB Statement No. 103, *Financial Reporting Model Improvements* was issued April 2024. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

Statement No. 104, *Disclosure of Certain Capital Assets*, was issued September 2024. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

**NOTE 12 – PRIOR PERIOD ADJUSTMENTS**

Management observed the prior year financial statements did not include the deferred outflows and inflows of resources related to the other post-employment benefit calculations. This resulted in a net increase in beginning net position of \$3,194. Management also concluded that the restricted money held in protest and the corresponding interest earned should have been reported in the fiduciary fund not in the general fund and governmental activities. This resulted in a net decrease of \$6,480 in fund balance and subsequently net position. The following shows the effect on the beginning balances.

	<b>Beginning Net Position as Previously Stated</b>	<b>Adjustment</b>	<b>Beginning Net Position Restated</b>
Governmental Activites	\$ 681,199	\$ (3,286)	\$ 677,913
	<b>Beginning Fund Balance as Previously Stated</b>	<b>Adjustment</b>	<b>Beginning Fund Balance Restated</b>
General Fund	\$ 921,410	\$ (6,480)	\$ 914,930

**Required Supplemental Information**

**MOREHOUSE SALES & USE TAX COMISSION  
BASTROP, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2025**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>Revenues:</b>				
Charges for services	\$ 401,200	\$ 333,902	\$ <b>398,548</b>	\$ 64,646
Investment earnings	1,000	8,716	<b>10,174</b>	1,458
Other revenues	300	234	<b>1,703</b>	1,469
<b>Total revenues</b>	<b>402,500</b>	<b>342,852</b>	<b>410,425</b>	<b>67,573</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government:	372,600	294,445	<b>329,040</b>	34,595
Capital outlay	29,900	9,372	-	(9,372)
<b>Total expenditures</b>	<b>402,500</b>	<b>303,817</b>	<b>329,040</b>	<b>25,223</b>
<b>Net change in fund balances</b>	-	39,035	<b>81,385</b>	42,350
Fund balances at beginning of year	616,527	616,527	<b>914,930</b>	298,403
<b>Fund balances at end of year</b>	<b>\$ 616,527</b>	<b>\$ 655,562</b>	<b>\$ 996,315</b>	<b>\$ 340,753</b>



**MOREHOUSE SALES & USE TAX COMISSION  
BASTROP , LOUISIANA**

**SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM  
FOR THE YEAR ENDED JUNE 30, 2025**

	Employer's portion of the net pension liability	Employer's proportionate share of the net pension liability	Employer's covered employee payroll	Employer's proportionate share of the net pension liability as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
<b>2025</b>	0.055507%	\$ 156,197	\$ 113,074	138.14%	79.05%
<b>2024</b>	0.056049%	\$ 204,851	\$ 112,651	181.85%	72.46%
<b>2023</b>	0.055143%	\$ 229,022	\$ 105,685	216.70%	68.08%
<b>2022</b>	0.051406%	\$ 142,986	\$ 101,768	140.50%	77.82%
<b>2021</b>	0.055012%	\$ 237,839	\$ 105,145	226.20%	64.52%
<b>2020</b>	0.075492%	\$ 315,456	\$ 139,750	225.73%	64.68%
<b>2019</b>	0.092357%	\$ 382,421	\$ 168,617	226.80%	63.94%
<b>2018</b>	0.090235%	\$ 377,491	\$ 163,872	230.36%	62.49%
<b>2017</b>	0.090634%	\$ 371,483	\$ 161,902	229.45%	62.11%
<b>2016</b>	0.093647%	\$ 334,522	\$ 159,833	209.29%	66.18%

*The amounts presented have a measurement date of the previous fiscal year end.*

**MOREHOUSE SALES & USE TAX COMISSION  
BASTROP , LOUISIANA**

**SCHEDULE OF EMPLOYER'S CONTRIBUTIONS  
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM  
FOR THE YEAR ENDED JUNE 30, 2025**

	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percentage of covered employee payroll
<b>2025</b>	\$ 33,357	\$ 33,357	\$ -	\$ 113,074	29.50%
<b>2024</b>	\$ 32,333	\$ 32,333	\$ -	\$ 112,651	29.50%
<b>2023</b>	\$ 31,177	\$ 31,177	\$ -	\$ 105,685	29.50%
<b>2022</b>	\$ 30,021	\$ 30,021	\$ -	\$ 101,768	29.50%
<b>2021</b>	\$ 29,178	\$ 29,178	\$ -	\$ 105,145	27.75%
<b>2020</b>	\$ 36,335	\$ 36,335	\$ -	\$ 139,750	26.00%
<b>2019</b>	\$ 41,733	\$ 41,733	\$ -	\$ 168,617	24.75%
<b>2018</b>	\$ 37,281	\$ 37,281	\$ -	\$ 163,872	22.75%
<b>2017</b>	\$ 31,976	\$ 31,976	\$ -	\$ 161,902	19.75%
<b>2016</b>	\$ 31,567	\$ 31,567	\$ -	\$ 159,833	19.75%

## **Other Supplemental Schedules**

**MOREHOUSE SALES & USE TAX COMISSION  
BASTROP, LOUISIANA**

**SCHEDULE OF COMPENSATION, BENEFITS, AND  
OTHER PAYMENTS TO AGENCY HEAD  
FOR THE YEAR ENDED JUNE 30, 2025**

Agency Head: Milzokiya White, Administrator

Purpose	Amount
Salary	\$ 58,006
Benefits - insurance	5,678
Benefits - retirement	16,242
Benefits - other (expense)	351

**MOREHOUSE SALES & USE TAX COMISSION  
SCHEDULE OF COLLECTIONS, DISTRIBUTIONS, AND COSTS OF COLLECTION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

<b>1</b>	<b>Collections</b>	
a.	Sales and Use Tax	\$ 23,493,198
b.	All Other Taxes	46,113
c.	Interest	6,952
	<b>Total Collections Available for Disbursement</b>	<u>23,546,263</u>
<b>2</b>	<b>Amounts Disbursed To Each Local Taxing Authority (Net of Collection Costs)</b>	
	City of Bastrop (2.5% inc. District 1, 2.5% exc. District 1, 0.5% District 1)	6,238,303
	Law Enforcement District No. 1 (0.5%)	3,956,218
	Morehouse Parish Police Jury (0.5%, 0.5% District 1, Rural 1%)	3,662,867
	Morehouse Parish School Board (2.0%)	9,026,455
	Village of Bonita (2.5%)	88,800
	Village of Collinston (2.0%)	77,783
	Village of Mer Rouge (2.5% beginning 4/1/2025)	120,839
	Morehouse Parish Chamber of Commerce	45,423
	<b>Total Amounts Disbursed to Local Taxing Authorities</b>	<u>23,216,688</u>
<b>3</b>	<b>Total Amount Retained by Collector</b>	<u>329,575</u>
<b>4</b>	<b>Amounts Disbursed for Costs of Collection</b>	
a.	Collector Employee Salaries	127,563
b.	Collector Employee Benefits	77,166
c.	Contracted Collector Services	9,736
d.	All Other Costs of Collections	128,726
	<b>Total Amounts Disbursed for Costs of Collection</b>	<u>343,191</u>
<b>5</b>	<b>Balance in Excess (Deficiency) of Costs of Collections</b>	<u>\$ (13,616)</u>

## **Other Reports**



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*

Board of Commissioners  
**Morehouse Sales & Use Tax Commission**  
Bastrop, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Morehouse Sales & Use Tax Commission, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Morehouse Sales & Use Tax Commission's basic financial statements and have issued our report thereon dated December 31, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Morehouse Sales & Use Tax Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Morehouse Sales & Use Tax Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Morehouse Sales & Use 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 were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2025-001 that we consider to be a material weakness.

**Morehouse Sales & Use Tax Commission**  
**Bastrop, Louisiana**  
Independent Auditor's Report - GAGAS  
June 30, 2025

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Morehouse Sales & Use Tax Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

**Morehouse Sales & Use Tax Commission's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Morehouse Sales & Use Tax Commission's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Morehouse Sales & Use Tax Commission's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**Purpose of This Report**

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

**BOSCH & STATHAM, LLC**  
*Bosch & Statham*  
Ruston, Louisiana  
December 31, 2025

**MOREHOUSE SALES & USE TAX COMMISSION  
BASTROP, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Morehouse Sales & Use Tax Commission for the year ended June 30, 2025.
2. One material weakness is reported in the Independent Auditor's Report on Compliance and Internal Control over Financial Reporting.
3. No instances of noncompliance material to the financial statements of Morehouse Sales & Use Tax Commission, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

**2025-001 Improper Segregation of Duties**

**Year First Reported**

1994

**Criteria**

Internal control standards, such as those established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), require that key duties and responsibilities be divided or segregated among different people to reduce the risk of error or inappropriate actions. Specifically, no one individual should have control over all aspects of a financial transaction (authorization, custody, recordkeeping, and reconciliation).

**Condition**

During our review of purchasing and disbursement procedures for the fiscal year ended June 30, 2025, we noted that the same individual is responsible for authorizing expenditures, receiving goods and services, and signing checks. Additionally, the individual responsible for processing bills and preparing checks, has the ability to add vendors to the accounting system, though policy prohibits it. Finally, at times, signed checks are returned to the preparer for mailing.

**Cause**

The entity has a limited number of staff, which has resulted in one employee being assigned multiple incompatible duties without compensating controls or oversight.

**Effect or Potential Effect**

The lack of proper segregation of duties increases the risk that errors or irregularities (including fraud or misappropriation of assets) could occur and not be detected in a timely manner. This could result in financial losses to the entity and misstatements in the financial statements.

**MOREHOUSE SALES & USE TAX COMMISSION  
BASTROP, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

**Recommendation**

We recommend that management implement compensating controls, such as using purchase orders approved by a commissioner when purchases are above a certain amount. Alternatively, management should consider reassigning duties to achieve better segregation or, if staffing limitations persist, increase direct oversight by management or the governing board.

**Management's Views and Corrective Action Plan**

Management agrees with the finding. Due to staffing constraints, it is not feasible to fully segregate all duties.

**MOREHOUSE SALES & USE TAX COMMISSION  
BASTROP, LOUISIANA**

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

**Current Status**

**2024-001 Inadequate Segregation of Duties**

This finding is repeated as 2025-001.

**2024 – 002 Violation of State Statutes**

This finding is resolved.



# Morehouse Sales & Use Tax Commission

123 East Madison Avenue \* P.O. Box 672 \* Bastrop, LA 71221 – 0672  
Phone: (318) 283-5957 \* Fax: (318) 283-6183 \* email: mwilson@morehousesalestax.com  
Member of Louisiana Association of Tax Administrators  
Visit our website: [www.laota.com](http://www.laota.com)

Milzokiya W. White  
Administrator

**December 31, 2025**

**Bosch & Statham, LLC**  
Ruston, Louisiana

The Louisiana Legislative Auditor (LLA) is considered to be a specified party to the Statewide Agreed-Upon Procedures (AUPs) and acknowledges that the procedures performed are appropriate for their purposes by their acceptance of the standard audit engagement approval forms. In connection with your engagement to apply agreed-upon procedures to certain control and compliance (C/C) areas identified in the LLA's statewide agreed-upon procedures (AUPs), for the fiscal period **July 1, 2024 through June 30, 2025**, we confirm, to the best of our knowledge and belief, the following representations made to you during your engagement.

1. We acknowledge that we are responsible for the C/C areas identified in the SAUPs, including written policies and procedures; board or finance committee; bank reconciliations; collections; non-payroll disbursements; credit/debit/fuel/purchasing cards; travel and travel-related expense reimbursement; contracts; payroll and personnel; ethics; debt service; fraud notice; information technology disaster recovery/business continuity; prevention of sexual harassment; and other areas.

Yes  No

2. We acknowledge that we are responsible for establishing and maintaining effective internal control over compliance.

Yes  No

3. For the fiscal period **July 1, 2024 through June 30, 2025**, we have performed an evaluation of our compliance with the best practices criteria presented in the statewide AUPs.

Yes  No

4. We are responsible for selecting the criteria and procedures and for determining that such criteria and procedures are appropriate for our purposes.

Yes  No

5. We have provided you with access to all records that we believe are relevant to the C/C areas and the statewide AUPs.

Yes  No

6. We have disclosed to you all known matters contradicting the results of the procedures performed in C/C areas.
- Yes  No
7. We have disclosed to you any known noncompliance with laws or regulations affecting the statewide AUPs occurring during the period of **July 1, 2024 through June 30, 2025** and between **June 30, 2025, and December 31, 2025**, including any actual, suspected, or alleged fraud.
- Yes  No
8. We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others affecting the C/C areas, including communications received between **June 30, 2025, and December 31, 2025**.
- Yes  No
9. We represent that the listing of bank accounts for the fiscal period that we provided to you is complete. We also represent that we have identified and disclosed to you our main operating account.
- Yes  No
10. We represent that the listing of deposit sites for the fiscal period that we provided to you is complete.
- Yes  No
11. We represent that the listing of collection locations for the fiscal period that we provided to you is complete.
- Yes  No
12. We represent that the listing of locations that process payments for the fiscal period that we provided to you is complete.
- Yes  No
13. We represent that the non-payroll disbursement transaction population for each location that processes payments for the fiscal period that we provided to you is complete.
- Yes  No
14. We represent that the listing of all active credit cards, bank debit cards, fuel cards, and purchase (P) cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards, that we provided to you is complete.
- Yes  No
15. We represent that the listing of all travel and travel-related expense reimbursements during the fiscal period that we provided to you is complete.

Yes  No

16. We represent that the listing of all agreements/contracts (or active vendors) for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period that we provided to you is complete.

Yes  No

17. We represent that the listing of employees/elected officials employed during the fiscal period that we provided to you is complete.

Yes  No

18. We represent that the listing of employees/officials that received termination payments during the fiscal period that we provided to you is complete.

Yes  No

19. We represent that the 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 during the fiscal period.

Yes  No

20. We represent that the listing of bonds/notes issued during the fiscal period that we provided to you is complete.

Yes  No

21. We represent that the listing of bonds/notes outstanding at the end of the fiscal period that we provided to you is complete.

Yes  No

22. We represent that the listing of misappropriations of public funds and assets during the fiscal period that we provided to you is complete.

Yes  No

23. We represent that the listing of computers currently in use and their related locations that we provided to you is complete.

Yes  No

24. We are not aware of any material misstatements in the C/C areas identified in the statewide AUPs.

Yes  No

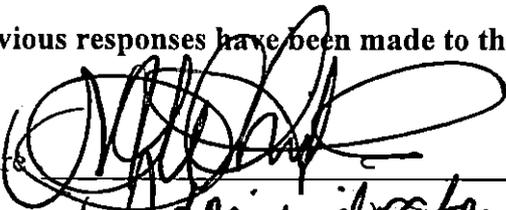
25. We have disclosed to you [*list other matters as you have deemed appropriate*].

Yes  No

26. We have responded fully to all inquiries made by you during the engagement.  
Yes  No

27. We have disclosed to you all known events that have occurred subsequent to **June 30, 2025**, that would have a material effect on the C/C areas identified in the statewide AUPs, or would require adjustment to or modification of the results of the statewide AUPs.  
Yes  No

**The previous responses have been made to the best of our belief and knowledge.**

Signature   
Title Administrator



Independent Accountant's Report  
on Applying Agreed-Upon Procedures

To the Board of Commissioners of Morehouse Sales & Use Tax Commission  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by Morehouse Sales & Use Tax Commission (the 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, 2024, through June 30, 2025. The Entity'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 related exceptions obtained are described in the attachment to this report:

***1) Written Policies and Procedures***

---

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

*We obtained and inspected the entity's policies and procedures.*

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

*The policy included all required elements.*

*Exceptions: None*

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

*The policy did not include element (2).*

*Exceptions: See above.*

**MOREHOUSE SALES & USE TAX COMMISSION  
BASTROP, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

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

*The policy addresses the required elements.*

*Exceptions: None*

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

*The policy addresses the required elements.*

*Exceptions: None*

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

*The policy addresses the required elements.*

*Exceptions: None*

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

*The policy addresses the required elements.*

*Exceptions: None*

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

*The policy addresses the required elements.*

*Exceptions: None*

- viii) **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).

*The policy addresses the required elements.*

*Exceptions: None*

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

*The policy addresses the required elements.*

*Exceptions: None*

**MOREHOUSE SALES & USE TAX COMMISSION  
BASTROP, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

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

*The policy did not include elements (3) or (4).*

*Exceptions: See above.*

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

*The policy addresses the required elements.*

*Exceptions: None*

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

*The policy addresses the required elements.*

*Exceptions: None*

**2) Board or Finance Committee**

---

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

*We obtained the Commission's minutes and related legislation.*

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

*We noted the Commission met three of the four quarters within the year.*

- ii) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit 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.*

*We noted two exceptions.*

**MOREHOUSE SALES & USE TAX COMMISSION  
BASTROP, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

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

*We obtained the prior year audit report and observed a positive unrestricted fund balance in the general fund.*

- iv) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

*We noted no such evidence.*

**3) Bank Reconciliations**

---

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

*We obtained the listing of bank accounts from management and management's representation that the listing is complete. We obtained and inspected the bank statements and reconciliations.*

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

*No reconciliation was prepared for 1 of 3 bank accounts. However, there was no activity in the account for the entire year.*

*Exceptions: See above.*

- ii) 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 within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

*We noted one exception.*

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

*We noted no documentation of research for stale reconciling items older than 12 months.*

*Exceptions: See above.*

**MOREHOUSE SALES & USE TAX COMMISSION  
BASTROP, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

**4) Collections**

---

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

*We obtained a listing of deposit sites and noted one site.*

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

*We obtained a listing of collection locations and noted one location. We obtained and inspected policies and procedures relating to job duties. We also interviewed employees about their job duties.*

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

*We noted no exceptions.*

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

*We noted no exceptions.*

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

*We noted no exceptions.*

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

*We noted no exceptions.*

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

*We obtained the surety bonds covering everyone in the office.*

**MOREHOUSE SALES & USE TAX COMMISSION  
BASTROP, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3A 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:

*We selected two deposit dates for each of the two bank accounts listed in procedure #3A.*

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

*When receipts are issued, receipts are prenumbered. Receipts are not issued for payments made with a check or money order unless the payor requests it.*

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

*We noted no exceptions.*

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

*We noted no exceptions.*

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

*We noted no exceptions.*

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

*We noted no exceptions.*

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

---

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

*We obtained a listing from management noting one location.*

*Exceptions: None*

**MOREHOUSE SALES & USE TAX COMMISSION  
BASTROP, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

*We obtained a listing of employees along with the written policies and procedures.*

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

*There is only one employee involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase.*

*Exceptions: See above.*

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

*We noted there are at least two employees involved in processing and approving payments to vendors.*

*Exceptions: None.*

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

*The employee responsible for processing payments is not prohibited by the software or written policy from add/modify vendor files. However, the employee has been instructed not to add/modify vendor files without the Administrator's approval.*

*Exceptions: See above.*

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

*The employee who is responsible for processing payments sometimes also mails the checks.*

*Exceptions: See above.*

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

*We noted no exceptions.*

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

**MOREHOUSE SALES & USE TAX COMMISSION  
BASTROP, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

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

*We obtained a listing of disbursements and selected five disbursements for testing.*

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

*We noted no exceptions.*

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

*We noted no exceptions.*

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

*We noted no exceptions.*

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

---

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

*We obtained a listing of all active cards and obtained management's representation that the listing is complete.*

*Exceptions: None*

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

*We selected one month and obtained the related documentation.*

**MOREHOUSE SALES & USE TAX COMMISSION  
BASTROP, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

- i) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

*We noted no exceptions.*

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

*We noted no finance charges or late fees.*

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection)<sup>17</sup>. For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

*We selected a total of 10 transactions from the eligible card and obtained supporting documentation.*

*1. We noted no exceptions.*

*2. We noted no exceptions.*

*3. We noted no such charges.*

*We noted no missing receipts.*

*Exceptions: None.*

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

---

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

*Management listed no reimbursements. We obtained management’s representation that there are no reimbursements.*

**MOREHOUSE SALES & USE TAX COMMISSION  
BASTROP, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

- i) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).  
*This procedure is not applicable.*
- ii) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.  
*This procedure is not applicable.*
- iii) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and.  
*This procedure is not applicable.*
- iv) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.  
*This procedure is not applicable.*

**8) Contracts**

---

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and  
*Management did not provide a listing. The listing was generated by searching the GL. We selected two contracts for testing.*
- i) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;  
*This procedure is not applicable.*
- ii) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);  
*We noted no exceptions.*

**MOREHOUSE SALES & USE TAX COMMISSION  
BASTROP, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

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

*This procedure is not applicable.*

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

*We noted two exceptions.*

*Exceptions: See above.*

**9) Payroll and Personnel**

---

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

*We obtained a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. We selected the only four employees or officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files with one exception.*

*Exceptions: See above*

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

*We selected one pay period and obtained the related documentation.*

- i) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

*We noted no exceptions.*

- ii) Observe whether supervisors approved the attendance and leave of the selected employees or officials;

*We noted no exceptions.*

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

*We noted no exceptions.*

**MOREHOUSE SALES & USE TAX COMMISSION  
BASTROP, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

- iv) Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

*We noted no exceptions.*

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

*Management listed one employee but the employee did not receive a termination payment.*

*Exceptions: None*

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

*We obtained management's representation the amounts were paid timely and accurately.*

**10) Ethics**

---

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

*Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, we obtained ethics documentation from management.*

- i) Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

*We noted no exceptions.*

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

*Management asserted no changes to the ethics policy had been made during the fiscal period.*

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

*We inquired of management. Management has appointed an ethics designee.*

**MOREHOUSE SALES & USE TAX COMMISSION  
BASTROP, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

***11) Debt Service***

---

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

*Management listed no bonds/notes and other debt instruments issued during the fiscal period.*

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

*Management listed no bonds/notes outstanding at the end of the fiscal period. We obtained management's representation that there are no bonds/notes outstanding at the end of the fiscal period.*

***12) Fraud Notice***

---

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

*Management listed none.*

- B. 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.

*We observed the required notice posted in the office. The entity does not have an operating website.*

*Exceptions: None*

**MOREHOUSE SALES & USE TAX COMMISSION  
BASTROP, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

***13) Information Technology Disaster Recovery/Business Continuity***

---

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

- A. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
- B. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- C. Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency’s information technology assets have completed cybersecurity training as required by R.S. 42:1267 . The requirements are as follows:
  - Hired before June 9, 2020 - completed the training; and
  - Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

*We performed the procedure and discussed the results with management.*

***14) Prevention of Sexual Harassment***

---

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

*Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, we obtained sexual harassment training documentation from management. We noted no exceptions.*

**MOREHOUSE SALES & USE TAX COMMISSION  
BASTROP, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

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

*We noted no exceptions.*

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i) Number and percentage of public servants in the agency who have completed the training requirements;
  - ii) Number of sexual harassment complaints received by the agency;
  - iii) Number of complaints which resulted in a finding that sexual harassment occurred;
  - iv) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - v) Amount of time it took to resolve each complaint.

*We obtained the required report and noted no exceptions.*

*Exceptions: None*

*Management's Response: We will take the comments under advisement and take corrective action as considered necessary. It may not be feasible to implement all best practices.*

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

We are required to be independent of the Morehouse Sales & Use Tax Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

**BOSCH & STATHAM, LLC**  
*Bosch & Statham*  
Ruston, Louisiana  
December 31, 2025