Webster Parish Sales and Use Tax Commission
Minden, Louisiana

Annual Financial Report

December 31, 2020

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Annual Financial Report
As of and for the Year Ended December 31, 2020

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SOCIETY OF LOUISIANA
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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, major fund and the aggregate remaining fund information of the Webster Parish Sales and Use Tax Commission, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Webster Parish Sales and Use Tax Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund and the aggregate remaining fund information of the Webster Parish Sales and Use Tax Commission, as of and for the year ended December 31, 2020, and the respective changes in financial position and the respective budgetary comparison for the General fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in the Total OPEB Liability and Related Ratios, Schedule of Proportionate Share of Net Pension Liability, and Schedule of Employer Contributions on pages 5-10 and 50-54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Webster Parish Sales and Use Tax Commission's basic financial statements. The accompanying supplementary information and the other information, as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

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

The accompanying other information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated June 24, 2021 on our consideration of the Webster Parish Sales and Use Tax Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Wise Martin & Cole LLC

Minden, Louisiana
June 24, 2021

REQUIRED SUPPLEMENTARY INFORMATION
(PART I)

MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)

Webster Parish Sales and Use Tax Commission
Management's Discussion and Analysis (MD&A)
December 31, 2020

Our discussion and analysis of the Webster Parish Sales and Use Tax Commission's (the Commission) financial performance provides an overview of the Commission's financial activities for the fiscal year ended December 31, 2020.

FINANCIAL HIGHLIGHTS

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

- The Commission's net position increased by $73,821.
- As of the close of the current fiscal year, the unrestricted net position of the Commission reported a deficit of $292,876, largely due to long term liabilities recognized for OPEB and pension obligation.
- The Commission's program revenues for the year ended December 31, 2020 were $463,472, comparable to prior year amounts of $443,165.
- Cash sales tax collections in 2020 were greater than last year by $1,714,112.

USING THIS ANNUAL REPORT

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

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

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

The Statement of Net Position and the Statement of Activities

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

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

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

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

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

Fund Financial Statements

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

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

Webster Parish Sales and Use Tax Commission
Management's Discussion and Analysis (MD&A)
December 31, 2020

The Commission as Trustee

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

THE WEBSTER PARISH SALES AND USE TAX COMMISSION AS A WHOLE

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

Table 1
Net Position

	2020	2019	Change
Current and other assets	$ 980,561	$ 928,793	$ 51,768
Capital assets, net of depreciation	29,334	23,244	6,090
Total assets	1,009,895	952,037	57,858
Deferred outflows	182,068	163,222	18,846
Other liabilities	281,163	290,915	(9,752)
Long-term liabilities	950,474	1,154,813	(204,339)
Total liabilities	1,231,637	1,445,728	(214,091)
Deferred inflows	253,202	36,228	216,974
Net Position			
Net investment in capital assets	29,334	23,244	6,090
Unrestricted	(322,210)	(389,941)	67,731
Total net position	$ (292,876)	$ (366,697)	$ 73,821

Net position of the Commission's governmental activities for December 31, 2020 was a deficit of $(292,876). Unrestricted net position that is the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements was $(322,210).

Webster Parish Sales and Use Tax Commission
Management's Discussion and Analysis (MD&A)
December 31, 2020

Table 2
Changes in Net Position

Revenues:	2020	2019	Change
Program revenues			
Charges for services	$ 462,622	$ 441,214	$ 21,408
Operating grants/contributions	850	1,951	(1,101)
General revenues			
Interest earned	2,731	7,429	(4,698)
Total revenues	466,203	450,594	15,609
Expenses:			
General government			
Office expense	81,110	89,454	(8,344)
Personnel services	268,358	359,014	(90,656)
Insurance expense	3,029	3,450	(421)
Legal and audit expense	22,280	53,643	(31,363)
Travel expense	2,175	5,276	(3,101)
Utilities	7,434	7,420	14
Maintenance and repairs	2,891	2,043	848
Depreciation	5,105	6,065	(960)
Total expenses	392,382	526,365	(133,983)
Change in net position	73,821	(75,771)	149,592
Net position, beginning	(366,697)	(290,926)	(75,771)
Net position, ending	$ (292,876)	$ (366,697)	$ 73,821

Governmental Activities

This year's revenues were comparable to last year's revenues increasing by approximately 3.5% over last year.

The cost of all governmental activities this year was $392,382, which was $133,983 less than last year's program expenses of $526,365. As detailed above in Table 2, the major areas of decrease occurred in personnel services and legal and audit expense. Personnel services decreased because of the termination of an employee during the year. Legal and audit expenses decreased because of reduced collection efforts during the year because of COVID.

Webster Parish Sales and Use Tax Commission
Management's Discussion and Analysis (MD&A)
December 31, 2020

THE WEBSTER PARISH SALES AND USE TAX COMMISSION'S FUNDS

As the Commission completed the year, its governmental funds reported a fund balance of $699,398; an increase of $56,673, over the fund balance of $642,725 from prior year.

Total revenues received for the year ended December 31, 2020 was approximately $465,000, which was $16,000 more than last year's revenues.

Total expenditures for the year ended December 31, 2020 were $69,000 lower than the prior year's expenditures. There was a $37,500 decrease in personnel expenses due to the termination of personnel in the year, and the required retirement contribution rate decreased from 26.0%, in effect on Jan 1, 2020 to 25.8% in effect on July, 2020. There was a $31,400 decrease in legal/audit expense due to reduced collection efforts during COVID. There was a decrease of $8,300 for office expense due to lower office supplies and software maintenance. Lastly, there was an increase in capital outlay for $11,200.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Commission made one amendment to the original 2020 budget. The amendments to the budget increased the proposed expenditures for capital outlay and utilities while decreased the budget for office, personnel, legal and audit fees, travel, and maintenance.

CAPITAL ASSET AND DEBT ADMINISTRATION

At December 31, 2020, the Commission had $29,334 invested in capital assets, including equipment, and furniture and fixtures. This amount represents a net increase (including additions, deductions, and depreciation) of $6,090, or 26%, over last year.

	2020	2019	Change
Equipment	$ 148,727	$ 144,399	$ 4,328
Furniture and fixtures	19,309	19,309	-
Total	168,036	163,708	4,328
Less accumulated depreciation	(138,702)	(140,464)	1,762
Net capital assets	$ 29,334	$ 23,244	$ 6,090

DEBT

The Commission has been able to operate without obtaining debt. See Notes 7, 8 and 10 for further details on the long-term obligations of the Commission.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

Our elected and appointed officials and citizens consider many factors when setting the Webster Parish Sales and Use Tax Commission's budget and tax rates. One of the most important factors affecting the budget is sales tax collections. Sales tax collection fees make up the majority of our total revenues. We have budgeted little change in revenue and expenditures for the year ending December 31, 2021.

CONTACTING THE SALES AND USE TAX COMMISSION'S FINANCIAL MANAGEMENT

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

BASIC FINANCAL STATEMENTS

WEBSTER PARISH SALES AND USE TAX COMMISSION

Statement of Net Position
December 31, 2020

		Governmental Activities
ASSETS		
Cash and cash equivalents	$	640,788
Investments		277,112
Accounts receivable		8,223
Due from agency fund		45,718
Prepaid assets		8,720
Capital assets (net)		29,334
TOTAL ASSETS		1,009,895
DEFERRED OUTFLOWS		
Deferred outflows on pension		55,887
Deferred outflows on OPEB		126,181
TOTAL DEFERRED OUTFLOWS		182,068
LIABILITIES		
Accounts payable, salaries and other payables		9,841
Unearned revenue		271,322
Long term liabilities		
Due within one year		16,391
Due in more than year		7,060
OPEB liability		707,889
Net pension liability		219,134
TOTAL LIABILITIES		1,231,637
DEFERRED INFLOWS		
Deferred inflows on pension		229,600
Deferred inflows on OPEB		23,602
		253,202
NET POSITION		
Invested in capital assets, net of related debt		29,334
Unrestricted		(322,210)
TOTAL NET POSITION	$	(292,876)

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

WEBSTER PARISH SALES AND USE TAX COMMISSION

Statement of Activities
For the Year Ended December 31, 2020

		Program revenues		Net (Expenses) Revenue
Functions/Programs	Expenses	Charges for services	Operating grants and contributions	Governmental Activities
Governmental activities:				
General government	$ 392,382	$ 462,622	$ 850	$ 71,090
Total governmental activities	392,382	462,622	850	71,090
Total	$ 392,382	$ 462,622	$ 850	$ 71,090
General revenues:				
Interest				2,731
Total general revenues				2,731
Change in net position				73,821
Net position - beginning				(366,697)
Net position - ending				$ (292,876)

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

WEBSTER PARISH SALES AND USE TAX COMMISSION

Balance Sheet - Governmental Fund
December 31, 2020

	General Fund
ASSETS	
Cash	$ 640,788
Investments	277,112
Receivables	8,223
Due from agency fund	45,718
Prepaid items	8,720
TOTAL ASSETS	$ 980,561
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	$ 9,841
Unearned revenue	271,322
TOTAL LIABILITIES	281,163
FUND BALANCE	
Nonspendable - prepaid items	8,720
Unassigned	690,678
TOTAL FUND BALANCE	699,398
TOTAL LIABILITIES AND FUND BALANCE	$ 980,561

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

WEBSTER PARISH SALES AND USE TAX COMMISSION

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
December 31, 2020

Fund balance - total governmental fund (Statement C)		$ 699,398
The cost of capital assets (furniture and equipment) purchased is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the Commission as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the program reported as governmental activities in the Statement Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.		
Costs of capital assets	$ 168,036	
Depreciation expense to date	(138,702)	29,334
Deferred outflows/inflows related to pensions are not due and payable in the current period and accordingly are not recorded in the fund financials		
Deferred outflows on OPEB	126,181	
Deferred outflows on pension	55,887	
Deferred inflows on pension	(229,600)	
Deferred inflows on OPEB	(23,602)	(71,134)
Long-term liabilities applicable to the Commission which are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term are reported in the Statement of Net Position.		
Compensated absences payable	(23,451)	
OPEB liability	(707,889)	
Pension liability	(219,134)	(950,474)
Net position of governmental activities (Statement A)		$ (292,876)

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

WEBSTER PARISH SALES AND USE TAX COMMISSION

Governmental Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2020

	General Fund
REVENUES	
Collection fees	$ 458,907
Interest	2,731
Other	3,715
TOTAL REVENUES	465,353
EXPENDITURES	
Current -	
General government:	
Office expense	81,111
Personnel services	278,565
Insurance expense	3,029
Legal and audit expense	22,280
Travel expense	2,175
Utilities	7,434
Maintenance and repairs	2,891
Capital outlay	11,195
TOTAL EXPENDITURES	408,680
Net change in fund balance	56,673
FUND BALANCE - BEGINNING	642,725
FUND BALANCE - ENDING	$ 699,398

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

WEBSTER PARISH SALES AND USE TAX COMMISSION

Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities
For the Year Ended December 31, 2020

Net change in fund balance, governmental fund (Statement E)		$ 56,673
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The following details the amount by which capital outlay exceeds depreciation in the current period:		
Capital outlays	$ 11,195	
Depreciation	(5,105)	6,090
In the Statement of Activities, certain operating expenses, such as compensated absences (vacations and sick leave) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time earned, $21,580, was more than the amounts used ($18,306), by $3,274.		(3,274)
The recognition of pension expense in the Statement of Activities is based on projected benefit payments discounted to actuarial present value and attributed to periods of employee service. Pension expenditures in the fund financial statements are the amounts actually paid.		62,261
The Statement of Activities reflects the effects of other post-employment benefits, which is based on an actuarial amount that is increased over an amortized period and decreased for amounts actually paid during the year. The governmental fund reflects only the payments made as current year expenditures. This year, the change in OPEB liability was:		(47,929)
Change in net position of governmental activities (Statement B)		$ 73,821

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

WEBSTER PARISH SALES AND USE TAX COMMISSION

General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2020

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget Positive (Negative)
Resources (inflows)				
Local sources:				
Collection fees	$ 445,020	$ 450,000	$ 458,907	$ 8,907
Interest	-	-	2,731	2,731
Other	-	-	3,715	3,715
Amounts available for appropriations	445,020	450,000	465,353	15,353
Charges to appropriations (outflows)				
General government:				
Office expense	90,156	89,346	81,111	8,235
Personnel services	330,747	281,182	278,565	2,617
Insurance expense	3,000	3,300	3,029	271
Legal and audit expense	54,051	27,264	22,280	4,984
Travel expense	8,208	2,400	2,175	225
Utilities	7,200	7,260	7,434	(174)
Maintenance and repairs	2,940	3,780	2,891	889
Capital outlay	2,640	12,480	11,195	1,285
Total charges to appropriations	498,942	427,012	408,680	18,332
Net change in fund balance	(53,922)	22,988	56,673	33,685
BUDGETARY FUND BALANCE, BEGINNING	641,538	642,725	642,725	-
BUDGETARY FUND BALANCE, ENDING	$ 587,616	$ 665,713	$ 699,398	$ 33,685

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

WEBSTER PARISH SALES AND USE TAX COMMISSION

Fiduciary Fund
Statement of Fiduciary Assets and Liabilities
December 31, 2020

	Agency Fund
ASSETS	
Sales tax receivable	$ 3,635,432
TOTAL ASSETS	$ 3,635,432
LIABILITIES	
Due to governments agencies	$ 3,589,714
Due to general fund	45,718
TOTAL LIABILITIES	$ 3,635,432

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Commission (Commission) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY

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

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

B. FUNDS

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

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

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

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

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

Fiduciary Funds
Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the Commission. Agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. This fund is used to account for assets that the government holds for others in an agency capacity. Agency funds include:

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

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Program revenues Program revenues include 1) charges for services provided and 2) operating grants and contributions. Program revenues reduce the cost of the function to be financed from the

Commission's general revenues. Charges for services are primarily derived from collection fees of 1.4% of amounts collected. Operating grants and contributions consist of non-employer contributions to the pension plan.

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

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

Fund Financial Statements (FFS)

Governmental Funds The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay the liabilities of the current period. The government considers all revenues available if they are collected within 30 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

- Fees for the collection of sales and use taxes are susceptible to accrual.
- Interest income is recorded monthly as interest is earned.
- Other receipts become measurable and available when cash is received by the Commission and are recognized as revenue at that time.

Expenditures
Salaries are recorded as earned.

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

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

D. DEPOSITS AND INVESTMENTS

Cash includes amounts in demand deposits and interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Commission may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

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

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

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

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

Type of Investment	Level 2
Louisiana Asset Management Pool (LAMP)	$ 277,112

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

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

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

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

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

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

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

Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosures using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 47 days as of December 31, 2020.

Foreign currency risk: Not applicable.

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

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

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

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

E. PREPAID ASSETS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

F. CAPITAL ASSETS

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

G. UNEARNED REVENUE

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

H. COMPENSATED ABSENCES

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

Carrying Annual Vacation Leave Forward:

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

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

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

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

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

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

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

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

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

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

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

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

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

I. PENSIONS

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Retirement System of Louisiana (TRSL), and additions to/deductions from TRSLs' fiduciary net position have been determined on the accrual basis, as they are reported by TRSL. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

J. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

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

K. FUND BALANCE OF FUND FINANCIAL STATEMENTS

GASB 54 requires the fund balance amounts to be reported within the fund balance categories as follows:

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

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

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

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

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

Unassigned: Fund balance that is the residual classification for the General fund.

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

L. USE OF ESTIMATES

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

M. ELIMINATION AND RECLASSIFICATIONS

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

N. BUDGETS

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

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

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

Appropriations (unexpended budget balances) lapse at year end.

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

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

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

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

NOTE 2 - DEPOSITS AND INVESTMENTS

At December 31, 2020, the Commission had the following investments:

Investment type	Maturities	Fair Value	Concentration of Credit Risk
Louisiana Asset Management Pool (LAMP)	Less than 1 year	$ 277,112	100%

Deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At year-end, the Commission's carrying amount of deposits was $640,788 and the bank balance was $702,789.

These deposits are reported as follows:

Statement A – Cash & cash equivalents	$ 640,788

At December 31, 2020, the Commission's bank balances, including fiduciary funds, totaled $702,789. These deposits are secured from risk by $250,000 of federal deposit insurance and $415,300 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). Deposits of $37,489 are classified as unsecured funds. These deposits are not secured from risk by federal deposit insurance and pledged securities held by the custodial bank in the name of the fiscal agent bank.

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

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

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

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

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable of $3,635,432 is reported in the fiduciary fund. No allowance for doubtful accounts was established as the full amount will be collected. Accounts receivable of $8,223 is reported in the General fund. This amount represents amounts due from businesses for insufficient checks issued in 2020.

NOTE 4 – CAPITAL ASSETS

The changes in capital assets of governmental activities follow:

	Balance Beginning	Additions	Deletions	Balance Ending
Equipment	$ 144,399	$11,195	$ 6,867	$ 148,727
Furniture and fixtures	19,309	-	-	19,309
Total	163,708	11,195	6,867	168,036
Less accumulated depreciation	140,464	5,105	6,867	138,702
Capital assets, net	$ 23,244	$ 6,090	$ -	$ 29,334

NOTE 5 – ACCOUNTS, SALARIES AND OTHER PAYABLES

The payables at December 31, 2020, are as follows:

Accounts payable to vendors	$ 4,956
Payroll liabilities	3,736
Retirement and insurance payable	1,149
Total accounts payable	$ 9,841

NOTE 6 – COMPENSATED ABSENCES

At December 31, 2020, employees of the Commission have accumulated and vested $23,451 of employee leave benefits.

NOTE 7 – TEACHERS' RETIREMENT SYSTEM OF LOUISIANA

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

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

Retirement Benefits:

1. NORMAL RETIREMENT

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

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

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

Benefit Formula

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

Payment Options

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

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

2. DEFERRED RETIREMENT OPTION PROGRAM (DROP)

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

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

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

3. DISABILITY BENEFITS

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

4. SURVIVOR BENEFITS

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

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

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

Permanent Benefit Increases/Cost-of-Living Adjustments

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

Optional Retirement Plan (ORP)

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

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

Employer Contributions

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

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

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

The Commission's contractually required composite contribution rate for the year ended December 31, 2020 was 26.0% through June 30, 2020, and decreased to 25.8% of annual payroll on July 1, 2020, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contributions to the pension plan from the Commission were $31,878 for the year ended December 31, 2020.

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

At December 31, 2020, the employer reported a liability of $219,134 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension obligation was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Commission's proportion was 0.00197%, which was a decrease of 0.00281% from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Commission recognized pension expense of $ (29,532).

At June 30, 2020, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	$ -	$ 3,518
Net difference between projected and actual earnings on pension plan investments	16,916	-
Change in assumption	13,035	-
Change in proportionate share from beginning net pension liability and from collective deferred inflows	354	226,082
Changes in proportion and differences between employer contributions and proportionate share of contributions	13,405	-
Employer contributions subsequent to the measurement date	12,177	-
Total	$ 55,887	$ 229,600

The Commission reported $12,177 as deferred outflows of resources related to pensions, which represent Commission contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended	
2021	$ (50,163)
2022	(45,963)
2023	(44,183)
2024	(45,581)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020 is as follows:

Actuarial cost method	Entry Age Normal
Amortization approach	Closed
Actuarial assumptions:	
Expected Remaining Service Lives	5 years
Investment rate of return	*7.45% net of investment expenses*
Inflation rate	2.3% per annum
Projected salary increases	3.1% - 4.6% varies depending on duration of service
Cost-of-living adjustments	None
Mortality	Active member – RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females. Non-disabled retiree/inactive members – RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females. Disability retiree mortality – RP-2014 Disability tables, adjusted by 1.111 for males and 1.134 for females These base tables are adjusted from 2014 to 2018 using the MP-2017 generational improvement table, with continued future mortality improvement projected using the MP-2017 generational mortality improvement tables.
Termination and disability	Termination, disability, and retirement assumptions were projected based on a 5-year (July 1, 2012 – June 30, 2017) experience study of the System's members.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation rate of 2.3% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return was 8.17% for 2020. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020, are summarized in the following table:

Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return**
Domestic equity	27.0%	4.60%
International equity	19.0%	5.54%
Domestic fixed income	13.0%	0.69%
International fixed income	5.5%	1.50%
Private Equity	25.5%	8.62%
Other Private Assets	10.0%	4.45%

Discount Rate

The discount rate used to measure the total pension liability was 7.45%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the employer's proportionate share of the net pension liability using the discount rate of 7.45%, as well as what the employer's proportionate share of the net pension obligation would be if it were calculated using a discount rate that is one percentage-point lower (6.45%) or one percentage-point higher (8.45%) than the current rate:

	Changes in discount rate		
	1% decrease 6.45%	Current rate 7.45%	1% increase 8.45%
Employer's proportionate share of the net pension liability	$286,061	$ 219,134	$ 162,795

Support of Non-employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The Commission recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2020, the Commission recognized revenue as a result of support received from non-employer contributing entities of $850 for its participation in TRSL.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TRSL 2020 Comprehensive Annual Financial Report at www.trsl.org.

Payables to the Pension Plan

At December 31, 2020, the Commission had a liability of $1,149 to the Teachers' Retirement System of Louisiana for the December 2020 employee and employer legally required contributions.

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (OPEB)

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

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

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

The plan is currently financed on a "pay as you go basis" with the Commission contributing $5,921for one retiree for the year ended December 31, 2020.

Employees covered by benefit terms – At December 31, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	3
Total	4

Total OPEB Liability – The Commission's total OPEB liability of $707,889 was measured as of December 31, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial method	Individual Entry Age Normal Cost Method – Level Percentage of Projected Salary

Service Cost	*Determined for each employee as the Actuarial Present Value of* Benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected *benefit earned during the year in accordance with the plan's* benefit formula. This allocation is based on each participant's service between date of hire and date of expected termination.
Discount Rate	2020 - 2.12% (-0.38% real rate of return plus 2.50% inflation)
Health Care Cost Trend	Level annual rate of 4.50% for medical and 2.00% for dental
Mortality	2020 - RPH-2014 Total Table with Projection MP-2020
Salary Scale	3.50%

The December 31, 2020 valuation results reflected a change in the discount rate from 4.10% to 2.12%. The mortality projection assumption was updated to the MP-2020 scale from the MP-2018 scale used in the December 31, 2018 valuation.

The discount rate was selected by reviewing the recent published Bond Buyer GO-20 bond index. This is one of the indices acceptable under GASB 75.

There were no changes in plan provisions.

Changes in the Total OPEB Liabilities:

	Total OPEB Liability
Balance at January 1, 2020	$ 665,482
Changes for the year:	
Service cost	10,311
Interest	16,619
Difference between expected and actual experience	(32,821)
Changes in assumption	54,219
Benefit payments	(5,921)
Net changes	42,407
Balance at December 31, 2020	$ 707,889

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

	Changes in Discount Rate		
	1% Decrease (1.12%)	Current Rate (2.12%)	1% Increase (3.12%)
Net OPEB Liability	$ 863,040	$ 707,889	$ 589,378

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

	Changes in Healthcare Cost Trend Rate		
	1% Decrease (3.50%)	Current Rate (4.50%)	1% Increase (5.50%)
Net OPEB Liability	$ 588,043	$ 707,889	$ 862,957

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended December 31, 2020, the Commission recognized OPEB expense of $53,850. At December 31, 2020, the Commission reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 23,602
Changes in assumptions	126,181	-
Totals	$ 126,181	$ 23,602

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

Year ended Dec 31,	
2021	$ 26,920
2022	26,920
2023	24,274
2024	20,909
2025	3,556

NOTE 9 – CAPITAL AND OPERATING LEASES

The Commission records items under capital leases as an asset and an obligation in the accompanying financial statements. The Commission did not have any capital leases during the fiscal year ended December 31, 2020. Therefore, there are no future minimum lease payments under capital leases or present value of the net minimum lease payments as of December 31, 2020.

The commission has operating leases and rental expense as follows:

	Governmental Activities
Equipment:	
Ricoh MPC3504 Copier - $151.98/month for 48 months	$ 1,824
Total rental expense	$ 1,824

The minimum annual commitments under noncancelable operating leases are as follows:

Fiscal year:	Equipment
2021	$ 1,824
2022	1,824
2023	608
Total	$ 4,256

NOTE 10 – LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended December 31, 2020:

Governmental activities:	Beginning Balance	Additions	Deductions	Ending Balance	Due within one year
Compensated absences	$ 20,177	$ 21,580	$ 18,306	$ 23,451	$ 16,391
Total	$ 20,177	$ 21,580	$ 18,306	$ 23,451	$ 16,391

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

Webster Parish Sales & Use Tax Commission
Notes to the Financial Statements
December 31, 2020

NOTE 11 – INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at December 31, 2020, were for amounts owed to the General fund for *collection fees on 2020 revenues collected and paid after the year end:*

Receivable	Payable Agency fund – Sales Tax
General fund	$ 45,718

NOTE 12 – AGENCY FUND DEPOSITS DUE OTHERS

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

	Balance Beginning	Additions	Deletions	Balance Ending
Sales tax collections	$ 3,267,914	$ 32,566,633	$ 32,199,115	$ 3,635,432
Occupational license fees	-	243,803	243,803	-
Total	$ 3,267,914	$ 32,810,436	$ 32,442,918	$ 3,635,432

The following is a detail of changes in Agency fund deposits due others for the collections and payments made to local governmental entities for sales tax collections during the year ended December 31, 2020:

Balance, Beginning	$ 3,267,914
Receipts:	
Sales tax collections	32,566,633
Disbursements:	
Webster Parish School Board	14,814,033
Webster Parish Police Jury	3,254,411
Webster Parish Sheriff	3,254,404
Webster Parish Tourism Commission	161,972
City of Minden	6,300,174
City of Springhill	2,681,435
Town of Cotton Valley	98,543
Town of Cullen	115,236
Town of Sibley	419,204
Town of Sarepta	91,770
Village of Dixie Inn	322,414
Village of Doyline	80,492
Minden EDD #1	12,429
Minden EDD #2	89,337
Minden EDD #3	279
Minden EDD #4	-
Sales tax collection fee	450,298
Fee for audit of sales tax vendors	17,721
Refunds to sales tax vendors	34,963
Total disbursements	32,199,115
Balance, Ending	$ 3,635,432

NOTE 13 – RISK MANAGEMENT

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

NOTE 14 – LITIGATION AND CLAIMS

At December 31, 2020, the Commission is involved in litigation concerning protested taxes. Unearned revenue of $271,322 is reported for the amount received under protest.

NOTE 15 – LIENS OVER SALES TAX REMITTERS

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

NOTE 16 – REFUNDS TO TAXPAYERS

The Commission receives refund requests from sales tax remitters for overpayment of sales taxes. Refund requests are reviewed to determine if the amounts were overpaid. For the year ended December 31, 2020, the Commission recognized no refunds due taxpayers.

NOTE 17 – OCCUPATIONAL LICENSE COLLECTIONS AND DISBURSEMENTS

The following is a schedule occupational tax collections and disbursements on a cash basis collected in behalf of and payments made to local governmental entities for fiscal year ended December 31, 2020:

	Total Collections	Collection Fees	Total Distribution	Refunds	Balance to be Distributed
Webster Parish Police Jury	$ 243,803	$ 3,364	$ 240,439	$ -	$ -

Webster Parish Sales & Use Tax Commission
Notes to the Financial Statements
December 31, 2020

NOTE 18 – SALES TAX COLLECTIONS AND DISBURSEMENTS

The following is a schedule of the sales tax collections and disbursements on a cash basis collected in behalf of and payments made to local governmental entities for fiscal year ended December 31, 2020:

	Total Collections	Collection Fees	Audit Fees	Refunds	Total Distribution
Webster Parish School Board (2.5%)					
School Board 1969 (1.0%)	$ 6,612,033	$ 92,475	$ 4,317	$ 6,695	$ 6,508,546
School Board 1996 (1.0%)	6,612,033	92,475	4,317	6,695	6,508,546
School District 6 (0.5%)	1,824,469	25,524	678	1,328	1,796,939
Webster Parish Police Jury (0.5%)	3,306,156	46,239	2,158	3,347	3,254,412
Town of Sibley (2.5%)					
Town of Sibley 1980 (1.0%)	171,170	2,384	226	878	167,682
Town of Sibley 1988 (1.0%)	171,170	2,384	226	878	167,682
Town of Sibley 2011 (0.5%)	85,585	1,192	113	439	83,841
Town of Cotton Valley (1%)	99,987	1,400	41	3	98,543
City of Minden (2%)					
City of Minden 1967 (1%)	3,199,516	44,744	1,186	3,500	3,150,086
City of Minden 1984 (1%)	3,199,516	44,744	1,186	3,500	3,150,086
Minden Econ. Dev. District #1 (2%)	12,605	176	-	-	12,429
Minden Econ. Dev. District #2 (2%)	91,754	1,268	-	1,148	89,338
Minden Econ. Dev. District #3 (2%)	283	4	-	-	279
Minden Econ. Dev. District #4 (2%)	-	-	-	-	-
City of Springhill (2.5%)					
City of Springhill 1968 (1.0%)	1,088,742	15,233	278	649	1,072,582
City of Springhill 1988 (0.5%)	544,353	7,616	139	325	536,273
City of Springhill 1992 (1.0%)	1,088,742	15,233	278	649	1,072,582
Town of Cullen (2.5%)					
Town of Cullen (1.0%)	46,758	654	-	9	46,095
Town of Cullen (0.5%)	23,379	327	-	4	23,048
Town of Cullen (1.0%)	46,758	654	-	9	46,095
Town of Sarepta (1%)	93,109	1,303	27	8	91,771
Village of Dixie Inn (2%)					
Village of Dixie Inn 1981 (1%)	163,817	2,291	172	147	161,207
Village of Dixie Inn 1994 (1%)	163,817	2,291	172	147	161,207
Village of Doyline (1%)	81,734	1,144	49	49	80,492
Webster Parish Tourism (4%)	165,480	2,300	-	1,208	161,972
Webster Parish Sheriff (0.5%)	3,306,149	46,239	2,158	3,347	3,254,405
Total	$ 32,199,115	$ 450,294	$ 17,721	$ 34,962	$ 31,696,138

NOTE 19 – TAX ABATEMENTS (GASB 77)

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

Webster Parish includes the Minden Art & History Cultural District which qualifies for the original art exemption. The Cultural District program allows for art sellers to be exempt from local sales tax. The amount of tax abatement under this program during the fiscal year ended December 31, 2020 by authorized sales is as follows:

Tax code	*Total revenue reported* by art selling businesses	*Estimated tax $ lost to* Cultural District program
LA R.S. 47:305.57	$7,022	$386

NOTE 20 – NEW GASB STANDARD

In May 2020, the Governmental Accounting Standards Board issued *Statement No. 95 – Postponement of the Effective Dates of Certain Authoritative Guidance*. This statement extended the effective dates of certain accounting and financial reporting provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018. The primary objective of GASB Statement No. 95 was to provide temporary relief to governments and other stakeholders in the light of the COVID-19 pandemic. The effective dates of certain provisions of various pronouncements are postponed by one year to 18 months. The Commission implemented this Statement for the fiscal year ended December 31, 2020.

NOTE 21 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 24, 2021, the date at which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION
(PART II)

Webster Parish Sales & Use Tax Commission

Schedule of Changes in the Total OPEB Liability and Related Ratios
December 31, 2020

Total OPEB Liability

	2018	2019	2020
Service costs	$ 9,905	$ 10,311	$ 10,311
Interest	20,258	21,259	16,619
Differences between expected and actual experience	-	-	(32,821)
Change in assumption	-	129,010	54219
Benefits payments	(5,713)	(6,603)	(5,921)
Net change in total OPEB liability	24,450	153,977	42,407
Total OPEB liability - beginning	487,055	511,505	665,482
Total OPEB liability - ending	$ 511,505	$ 665,482	$707,889
Covered employee payroll	$ 158,829	$ 158,829	$165,246
Total OPEB liability as a percentage of covered employee payroll	322.05%	418.99%	428.38%

Notes:

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

Webster Parish Sales & Use Tax Commission

Notes to the Required Supplementary Information for OPEB
For the Year Ended December 31, 2020

Changes in Assumptions

The following schedule provides changes in assumptions and other inputs:

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

Notes:

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

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

Webster Parish Sales and Use Tax Commission

Schedule of Proportionate Share of Net Pension Liability
December 31, 2020

Fiscal Year	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Teachers' Retirement System of Louisiana					
2015	0.00476%	$ 511,486	$ 201,771	253.50%	62.47%
2016	0.00481%	564,666	205,806	274.37%	59.90%
2017	0.00488%	499,779	209,840	238.17%	65.60%
2018	0.00482%	473,416	215,160	220.03%	68.20%
2019	0.00478%	474,001	219,463	215.98%	68.60%
2020	0.00197%	219,134	157,652	139.00%	65.60%

Notes:
The amounts presented have a measurement date of June 30, 2020.

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

Webster Parish Sales and Use Tax Commission

Schedule of Employer Contributions
December 31, 2020

Fiscal Year	Contractually Required Contribution	Contribution *in Relation to* Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contribution as a *Percentage of* Covered Employee Payroll
Teachers' Retirement System of Louisiana					
2015	$ 55,323	$ 55,323	$ -	$ 203,768	27.15%
2016	55,832	55,832	-	207,844	26.86%
2017	55,342	55,342	-	212,433	26.05%
2018	57,908	57,908	-	217,290	26.65%
2019	51,013	51,013	-	221,636	23.02%
2020	31,878	31,878	-	122,973	25.92%

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

Webster Parish Sales and Use Tax Commission

Notes to the Required Supplementary Information for Pensions
December 31, 2020

Changes in Assumptions

The following schedule provides changes in assumptions and other inputs:

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

Notes:

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

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

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

SUPPLEMENTARY INFORMATION

Webster Parish Sales and Use Tax Commission

Schedule of Compensation Paid to Commissioners
December 31, 2020

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

Shelli Malone	Chairperson
Peggy Adkins	Member
Crevonne Odom	Member
Sherry McCann	Member
Sharon Bryce	Member
Terry Gardner	Member
Tiffany Parish	Member
Connie Smith	Member
Serena Gray	Member
Lisa Balkom	Member
Pamela Roby	Member
Dana James	Member

Webster Parish Sales and Use Tax Commission

Schedule of Compensation, Benefits and Other Payments to Agency Head
December 31, 2020

Agency Head: Cyndy Herrington, Administrator

Salary	$ 70,852
Benefits – insurance	13,726
Dues	200
Travel	495
Registration fees	290
Total	$ 85,563

OTHER REPORTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, major fund, and the aggregate remaining fund information of the Webster Parish Sales and Use Tax Commission, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated June 24, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Webster Parish Sales and Use Tax Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

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

Wesi Martin & Cole LLC

Minden, Louisiana
June 24, 2021

OTHER INFORMATION

Webster Parish Sales and Use Tax Commission
Schedule of Current Year Findings
December 31, 2020

No findings were required to be reported by ***Government Auditing Standards***.

Webster Parish Sales and Use Tax Commission
Status of Prior Year Findings
December 31, 2020

No findings required to be reported by ***Government Auditing Standards*** in prior year.

WISE, MARTIN & COLE, L.L.C.
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Management Letter

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

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Webster Parish Sales and Use Tax Commission as of and for the year ended December 31, 2020, which collectively comprise the Commission's basic financial statements as listed in the table of contents and have issued our report thereon dated June 24, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of American and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As part of our examination, we have issued our report on the financial statements, dated June 24, 2021, and our repot on internal control and compliance with laws, regulation, contracts, and grants, dated June 24, 2021.

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

ML 2020-01 Deposits in excess of adequate security

Criteria: According to LSA RS 39:1225, adequate security is to be pledged by the Commission for deposits with a depository financial institution that exceed federal deposit insurance.

Condition: As of December 31, 2020, the Commission had approximately $37,488 in deposits with a local bank, which exceeded federal deposit insurance and were not adequately secured.

Cause: Administrator relied upon the bank to ensure that securities were adequately pledged to the Commission to cover bank balances which exceed federal deposit insurance.

Effect: In the event of failure of the local bank, the Commission's deposits may not be recovered.

Recommendation: We recommend that management monitor its bank balances and compare with the values of pledged securities with the banks on a monthly basis to ensure that bank balances in excess of federal depository insurance are adequately secured.

ML 2020-02 Surplus property laws

Criteria: Surplus property is defined as movable property owned by a political subdivision, the governing authority of which has determined is no longer needed for public purpose. The LA Constitution Article VII, Section 14, places restraints on disposition of public property. If an entity has property that it considers to be "surplus," the entity must follow the guidelines to dispose of property according to the law.

Condition: The Commission disposed of two items of equipment during the year:

- ThinkServer Tower - Original cost of $4,048, purchased on June 18, 2015. Commission purchased a new server in 2020, whose company removed the old server to recycle.
- Freehand Mail Tabber – Original cost $2,819, purchased March 31, 2005, trashed by Administrator.

Neither item was declared surplus by the governing authority before disposal.

Cause: A vendor removed the old server to recycle before receiving the Administrator's approval. The Administrator disposed of the mail tabber which was leaking oil & grease.

Effect: The Commission disposed of public property before establishing that the property "had no value" prior to discarding it. By improperly disposing of equipment, the Commission may have violated state law.

Recommendation: We recommend that the Commission implement written policies and procedures to ensure that all surplus property is disposed of in accordance with state law.

ML 2020-03 Improving Internal controls over collections of delinquent filings and balances

Criteria: On June 13, 2019, the Commission adopted formal collection procedures to address dealers who fail to file their tax returns and remit the amount due on a timely basis for sales taxes and occupational licenses.

Condition: We tested controls over collection enforcement by selecting 11 vendors who pay sales tax, 4 vendors who were setup on installment plans in the prior year, and 10 vendors who were expected to pay occupational license to Webster Parish during 2020. Collection enforcement procedures were in place, but not being enforced timely in some cases.

Sales tax filings:

- 9 of the 15 vendors reveal that the collection process is not being followed on a timely basis
- 4 of the vendors have installment agreements setup, however, the Commission did not enforce payments to be made during 2020.

Occupation license filings:

- 3 of the 10 vendors tested were delinquent for both 2019 and 2020. One vendor has paid the 2019 assessment, and still owes partially for 2020. Two vendors received notices but have not paid for 2020 license per review of history. From files, we were unable to determine whether licenses were required.
- 5 of the 10 vendors did not receive a second notice or demand letter until October 2020.

While the COVID-19 pandemic created an environment, which required alternative actions be taken by the Commission to address collection enforcement during 2020, we noted that the Commission system of monitoring delinquent filers failed to follow-up on delinquent filers on a timely basis, specifically vendors setup to pay delinquent taxes through an installment agreement.

Cause: Administrator cited the pandemic and termination of employee during 2020 effected timeliness of follow up on delinquent filers.

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

Recommendation: We recommend the Commission develop a more efficient way to monitor delinquent filer and ensure that accounts are worked timely and legally addressed when required.

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

Wise Martin & Cole LLC

Minden, Louisiana

June 24, 2021

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Cyndy Herrington
Administrator
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June 24, 2021

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My responses to the Management Letter are below:

ML 2020-01 Deposits in excess of adequate security

I have not had an issue with this in the past and was confident that the bank had pledged enough to be secured. I will monitor the bank balances on a monthly basis to ensure that the securities are adequately pledged. I have also contacted my bank to ensure that the securities are adequately pledged.

ML 2020-02 Surplus property laws

The server was removed without my approval once they installed the new server and stated that they would "wipe" clean the hard drive and recycle. The Mail Tabber was inoperable and leaking oil/grease everywhere so, I trashed it. It was not my intention to violate any laws. I will take steps to ensure the policy is followed going forward

ML 2020-03 Improving Internal controls over collections of delinquent filings and balances

The year 2020 was extremely difficult for our office. The employee in the position of collections was having issues, then COVID-19 hit. From March 26th through May 15th of 2020, our office hours were adjusted to four hours a day and we were closed to the public. Also, due to the governor's emergency orders, courts were closed temporarily which kept us from filing suit. The employee was then terminated on June 18, 2020. This left our office without anyone to work collections. As Administrator, I have multiple duties already, however, I managed to at least mail out delinquent letters. I feel like we were doing the best that we could under the circumstances. I hired a new employee effective November, and she began training during the final two months of the year. She is still learning but I see improvement already in the current year with the delinquent collections. As for the OLT collections, these are handled by a different employee that is not familiar with compliance. I am reviewing the process to determine what steps need to be taken to ensure the policy is followed.

Sincerely,

Cyndy Herrington

Cyndy Herrington
Administrator