

**EVANGELINE PARISH
SALES AND USE TAX COMMISSION**

Financial Report

Year Ended June 30, 2011

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

JAN 25 2012
Release Date

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, major fund, and the aggregate remaining fund information of the Evangeline Parish Sales and Use Tax Commission (Tax Commission), a component unit of the Evangeline Parish Police Jury, as of and for the year ended June 30, 2011, which collectively comprise the Tax Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Tax Commission. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Evangeline Parish Sales and Use Tax Commission, as of June 30, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2011 on our consideration of the Tax Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and schedule of funding progress (page 26-28) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Evangeline Parish Sales and Use Tax Commission has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in a appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Evangeline Parish Sales and Use Tax Commission's financial statements as a whole. The other supplementary information on page 31 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Ville Platte, Louisiana
November 10, 2011

BASIC FINANCIAL STATEMENTS

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

Evangeline Parish Sales and Use Tax Commission
Ville Platte, Louisiana

Statement of Net Assets
June 30, 2011

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$221,795
Noncurrent assets:	
Capital assets, net	<u>21,694</u>
Total assets	<u>243,489</u>
LIABILITIES	
Current liabilities:	
Accounts payable	2,252
Non-current liabilities:	
OPEB obligation payable	<u>24,221</u>
Total liabilities	<u>26,473</u>
NET ASSETS	
Invested in capital assets	21,694
Unrestricted	<u>195,322</u>
Total net assets	<u>\$217,016</u>

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

**Evangeline Parish Sales and Use Tax Commission
Ville Platte, Louisiana**

**Statement of Activities
For the Year Ended June 30, 2011**

Activities	Program Revenues		Net (Expense) Revenues and Changes in Net Assets Governmental Activities
	Expenses	Fees, Fines and Charges for Services	
Governmental activities:			
General government	<u>\$406,123</u>	<u>\$358,328</u>	<u>\$ (47,795)</u>
General revenues:			
Interest and investment earnings			<u>1,458</u>
Change in net assets			<u>(46,337)</u>
Net assets - July 1, 2010			<u>263,353</u>
Net assets - June 30, 2011			<u>\$217,016</u>

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

FUND FINANCIAL STATEMENTS (FFS)

Evangeline Parish Sales and Use Tax Commission
Ville Platte, Louisiana

Balance Sheet - Governmental Fund
General Fund
June 30, 2011

ASSETS

Interest-bearing deposits	<u>\$221,795</u>
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LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$ 2,252
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Fund balance:

Unassigned	<u>219,543</u>
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Total liabilities and fund balances	<u>\$221,795</u>
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The accompanying notes are an integral part of the basic financial statements.

**Evangeline Parish Sales and Use Tax Commission
Ville Platte, Louisiana**

**Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Assets
June 30, 2011**

Total fund balance for the governmental fund at June 30, 2011	\$ 219,543
Cost of capital assets at June 30, 2011	\$ 87,077
Less: Accumulated depreciation	<u>(65,383)</u>
Long-term liabilities at June 30, 2011:	
OPEB obligation payable	<u>(24,221)</u>
Total net assets of governmental activities at June 30, 2011	<u><u>\$217,016</u></u>

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

Evangeline Parish Sales and Use Tax Commission
Ville Platte, Louisiana

Statement of Revenues, Expenditures, and Change in Fund Balance -
Governmental Fund - General Fund
For the Year Ended June 30, 2011

Revenues:

Sales tax collection fees	\$ 358,328
Interest income	<u>1,458</u>
Total revenues	<u>359,786</u>

Expenditures:

Current -

General government:

Personnel services and related benefits	177,671
Operating services	57,434
Material and supplies	25,533
Distribution of surplus funds	127,561
Capital outlay	<u>1,120</u>
Total expenditures	<u>389,319</u>

Deficiency of revenues over expenditures (29,533)

Fund balance, beginning of year 249,076

Fund balance, end of year **\$219,543**

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

Evangeline Parish Sales and Use Tax Commission
Ville Platte, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Change in Fund Balance of the Governmental Fund
to the Statement of Activities
For the Year Ended June 30, 2011

Total net change in fund balance for the year ended June 30, 2011 per Statement of Revenues, Expenditures and Change in Fund Balance	(\$29,533)
Add: Capital outlay costs which are considered as expenditures on Statement of Revenues, Expenditures, and Change in Fund Balance	\$ 1,120
Less: Current year disposition of capital assets net of accumulated depreciation	(1,162)
Less: Depreciation expense for year ended June 30, 2011	<u>(4,523)</u> (4,565)
Increase in OPEB obligation payable	<u>(12,239)</u>
Total change in net assets for the year ended June 30, 2011 per Statement of Activities	<u><u>\$ (46,337)</u></u>

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

Evangeline Parish Sales and Use Tax Commission
Ville Platte, Louisiana

Statement of Fiduciary Assets and Liabilities
Agency Fund
June 30, 2011

ASSETS

Interest-bearing deposits	<u>\$ 46,525</u>
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LIABILITIES

Due to taxing bodies and others	<u>\$ 46,525</u>
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The accompanying notes are an integral part of the basic financial statements.

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

Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

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

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

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, which are considered to be governmental activities. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

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

Fund Financial Statements (FFS)

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

The various funds of the Tax Commission are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major governmental. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major fund of the Tax Commission is described below:

Governmental Fund -

General Fund

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

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

Additionally, the Tax Commission reports the following fund type:

Fiduciary Fund -

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

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

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

On the government-wide statement of net assets and the statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

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

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

Basis of Accounting

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

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

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

D. Assets, Liabilities and Equity

Cash and interest-bearing deposits

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

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Tax Commission maintains a threshold level of \$1,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

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

Furniture, fixtures and equipment	5-10 years
Buildings and other improvements	10-20 years

Compensated Absences

Employees of the Tax Commission's office earn vacation leave of six days the first year of employment, ten days from the second to the eighth year of service, and fifteen days thereafter, with a carryover of five days allowed. An equal amount of sick pay is allowed with an unlimited carryover. Sick leave does not vest. Any liability the Tax Commission may have regarding this matter at June 30, 2011 is considered immaterial.

Equity Classifications

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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

The Tax Commission adopted GASB Statement 54 in the year ended June 30, 2011. As such, fund balances of the governmental fund are classified as follows.

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

Notes to the Basic Financial Statements (Continued)

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

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal decision of the Tax Commission. The Tax Commission is the highest level of decision-making authority for the Evangeline Parish Sales and Use Tax Commission.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.

Unassigned – all other spendable amounts.

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

E. Budgetary and Budgetary Accounting

A budget for the general fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Tax Commission.

F. 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 statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

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

Notes to the Basic Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the Tax Commission may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Tax Commission may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2011, the Tax Commission has cash and cash equivalents (book balances) totaling \$268,320 as follows:

	<u>Governmental Activities</u>	<u>Fiduciary Fund</u>	<u>Total</u>
Interest-bearing deposits	<u>\$221,795</u>	<u>\$46,525</u>	<u>\$268,320</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Tax Commission's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law these deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. As of June 30, 2011, bank balances were secured as follows:

Bank balances	<u>\$ 784,191</u>
Federal deposit insurance	<u>\$ 250,000</u>
Pledged securities (category 3)	<u>534,191</u>
Total	<u>\$ 784,191</u>

Pledged securities in the amount of \$534,191 were exposed to custodial credit risk. These securities include uninsured or unregistered investments for which the securities are held by the bank, or by its trust department or agent, but not in the Tax Commission's name. Even though the pledged securities are considered uncollateralized (Category 3), 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 Tax Commission that the fiscal agent has failed to pay deposited funds upon demand. The Tax Commission does not have a policy for custodial credit risk.

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

(3) Capital Assets

Capital asset balances and activity for the year ended June 30, 2011 is as follows:

	Balance 7/1/2010	Additions	Deletions	Balance 6/30/2011
Furniture, fixtures and equipment	\$ 56,484	\$ 1,120	1,550	\$ 56,054
Building and other improvements	<u>31,022</u>	<u>-</u>	<u>-</u>	<u>31,022</u>
Totals	<u>87,506</u>	<u>1,120</u>	<u>1,550</u>	<u>87,076</u>
Less: Accumulated depreciation	<u>61,247</u>	<u>4,523</u>	<u>388</u>	<u>65,382</u>
Net capital assets	<u>\$ 26,259</u>	<u>\$ (3,403)</u>	<u>\$ 1,162</u>	<u>\$ 21,694</u>

Depreciation expense of \$4,523 was charged to the general government function.

(4) Pension Plan

All employees of the Evangeline Parish Sales and Use Tax Commission are members of the Social Security System. The Commission and its employees contribute a percentage of each employee's salary to the system (7.65% contributed by the Commission; 7.65% contributed by the employee). The commission's contribution during the year ended June 30, 2011 amounted to \$11,132.

Employees of the Evangeline Parish Sales and Use Tax Commission may participate in a "SIMPLE" retirement plan in accordance with Internal Revenue Code Section 401(K)11 and 408 (P). Under this plan, which is treated as an IRA for most purposes, the employer makes payments as a contribution (not exceeding 3% of employee's compensation) to the Simple account. Elective contributions are limited to \$6,000 for any calendar year. The Commission's contribution during the year ended June 30, 2011 amounted to \$4,366.

(5) Post-Retirement Health Care and Life Insurance Benefits

From an accrual accounting perspective, the cost of postemployment healthcare benefits should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions, during the year ended June 30, 2010, the Tax Commission began to recognize the cost of postemployment healthcare in the year when employee services are received, to report the accumulated liability from prior years, and to provide information useful in assessing potential demands on the Tax Commission's future cash flows. Because the Tax Commission is adopting the requirements of GASB Statement No. 45 prospectively, recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2010 liability.

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

Plan Description: Employees who retire from the Tax Commission are eligible to continue health insurance coverage upon retirement. These benefits are provided through and administered by the Louisiana Office of Group Benefits (OGB). The OGB issues a separate financial report which is available at www.groupbenefits.com along with the plan provisions contained in the official plan documents of the OGB. The OGB plan is a fully insured, agent multiple-employer plan.

Funding Policy: The monthly premiums for the health benefit are paid jointly by the employee and employer. The percentage of the premium paid by the Tax Commission ranges from 61% to 75% depending on choice of coverage. The Tax Commission recognizes the cost of providing these benefits as an expenditure when the monthly premiums are due. The benefits are financed on a pay-as-you-go basis.

Annual OPEB Cost: The Tax Commission's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The Tax Commission utilizes the level percent of payroll amortization method to amortize the unfunded actuarial accrued liability.

The following table shows the components of the Tax Commission's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Tax Commission's net OPEB obligation:

Annual required contribution	\$ 12,341
Interest on net OPEB obligation	240
Adjustment to annual required contribution	<u>(342)</u>
Annual OPEB cost (expense)	12,239
Contributions made	<u>—</u>
Increase in net OPEB obligation	12,239
Net OPEB obligation - beginning of year	<u>11,982</u>
Net OPEB obligation - end of year	<u>\$ 24,221</u>

The Tax Commission's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 and 2011 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
N/A	N/A	N/A	N/A
6/30/2010	\$ 11,982	0.0%	\$ 11,982
6/30/2011	\$ 12,239	0.0%	\$ 24,221

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

Fiscal year 2010 was the year of implementation of GASB Statement No. 45 and the Tax Commission has elected to implement prospectively. Therefore, prior year comparative data is not available. In future years, three-year trend information will be presented.

Funded Status and Funding Progress: The funded status of the plan as of July 1, 2009, was as follows:

Actuarial accrued liability (AAL)	\$ 119,768
Actuarial valuation of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 119,768</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 83,716
UAAL as a percentage of covered payroll	143.06%

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated. Although the valuation results are based on values which the Tax Commission's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of what future costs may actually be. Deviations in any of several factors, such as future interest rates, medical cost inflation, Medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

The schedule of funding progress included in required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Because 2010 was the year of implementation of GASB Statement No. 45 and the Tax Commission elected to apply the statement prospectively, only two years is presented in the schedule at this time. In future years, required trend data will be presented.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The Tax Commission qualified to use the Alternative Measurement Method (AMM) to calculate the actuarial accrued liability and the annual required contribution. The AMM calculation process is similar to an actuarial valuation, but with simplifications of several assumptions permitted per GASB guidelines. The significant actuarial assumptions used in the valuation of the plan are as follows:

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

Notes to the Basic Financial Statements (Continued)

1. The entry age actuarial cost method was used.
2. Discount rate baseline is 2%.
3. 100% of employees who elect coverage while in active employment and who are eligible for retiree medical benefits are assumed to elect continued medical coverage in retirement.
4. Amortization period – 30 years.
5. Projected salary increases – 3.00%.
6. UAL and ARC calculated using the Alternative Measurement Method (AMM) method in accordance with GASB methodology.
7. Mortality table – RP 2000 Mortality Table for Males and Females Projected 10 years.
8. Standard turnover assumptions – GASB 45 paragraph 35b.

(6) Risk Management

The Tax Commission is exposed to risks of loss in the areas of general liability and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

(7) Compensation Paid to Board Members

Board members received per diem for fiscal year end June 30, 2011 as follows:

Doug Deville	\$ 2,200
Arthur Savoy	2,400
Leon Estes	2,400
Bryan Savant (7/1/10 - 12/31/10)	1,200
Blain Janet (7/1/10 - 12/31/10)	1,200
Herman Malveaux	2,400
Berline Sonnier	2,400
Heather Cloud (1/1/11 - 6/30/11)	1,200
Rickey Fontenot (1/1/11 - 6/30/11)	1,200
Jennifer Vidrine (1/1/11 - 6/30/11)	1,000
Wilda Chamberlain (7/1/10 - 12/31/10)	1,200
Terry Savant	<u>3,600</u>
	<u>\$ 22,400</u>

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Notes to the Basic Financial Statements (Continued)

(8) Litigation

There is no litigation pending against the Tax Commission at June 30, 2011.

(9) Subsequent Event Review

The Tax Commission's management has evaluated subsequent events through November 10, 2011 the date which the financial statements were available to be issued.

**REQUIRED
SUPPLEMENTARY INFORMATION**

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

**Budgetary Comparison Schedule
For the Year Ended June 30, 2011**

	<u>Budget</u>			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Sales tax collection fees	\$ 357,000	\$ 357,000	\$ 358,328	\$ 1,328
Interest income	<u>1,200</u>	<u>1,200</u>	<u>1,458</u>	<u>258</u>
Total revenues	<u>358,200</u>	<u>358,200</u>	<u>359,786</u>	<u>1,586</u>
Expenditures:				
Current -				
General government:				
Personnel services and related benefits	179,221	179,221	177,671	1,550
Operating services	62,100	62,100	57,434	4,666
Material and supplies	26,300	26,300	25,533	767
Distribution of surplus funds	110,000	110,000	127,561	(17,561)
Capital outlay	<u>2,500</u>	<u>2,500</u>	<u>1,120</u>	<u>1,380</u>
Total expenditures	<u>380,121</u>	<u>380,121</u>	<u>389,319</u>	<u>(9,198)</u>
Deficiency of revenues over expenditures	<u>(21,921)</u>	<u>(21,921)</u>	<u>(29,533)</u>	<u>(7,612)</u>
Fund balance, beginning of year	<u>249,076</u>	<u>249,076</u>	<u>249,076</u>	<u>-</u>
Fund balance, end of year	<u>\$ 227,155</u>	<u>\$ 227,155</u>	<u>\$ 219,543</u>	<u>\$ (7,612)</u>

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

**Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2011**

	<u>Budget</u>			Variance - Positive (Negative)	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>		
Expenditures:					
Current -					
Personnel services and related benefits -					
Salaries	\$ 145,521	\$ 145,521	\$ 145,522	\$ (1)	
Payroll taxes	11,200	11,200	11,176	24	
Retirement	4,500	4,500	4,366	134	
Health benefits	<u>18,000</u>	<u>18,000</u>	<u>16,607</u>	<u>1,393</u>	
Total personnel services and related benefits	<u>179,221</u>	<u>179,221</u>	<u>177,671</u>	<u>1,550</u>	
Operating services -					
Insurance	3,500	3,500	3,795	(295)	
Miscellaneous	6,600	6,600	2,317	4,283	
Outside services	-	-	1,450	(1,450)	
Per diem	22,800	22,800	22,400	400	
Professional fees	11,300	11,300	14,261	(2,961)	
Rent	-	-	1,857	(1,857)	
Telephone	4,600	4,600	4,383	217	
Travel	9,500	9,500	3,490	6,010	
Utilities	3,000	3,000	3,040	(40)	
Workers' compensation	800	800	441	359	
Total operating services	<u>62,100</u>	<u>62,100</u>	<u>57,434</u>	<u>4,666</u>	
Materials and supplies -					
Office supplies	5,000	5,000	4,523	477	
Postage	12,000	12,000	10,347	1,653	
E-file expense	300	300	340	(40)	
Repairs	9,000	9,000	10,029	(1,029)	
Uniforms	-	-	294	(294)	
Total materials and supplies	<u>26,300</u>	<u>26,300</u>	<u>25,533</u>	<u>767</u>	
Distribution of surplus funds	<u>110,000</u>	<u>110,000</u>	<u>127,561</u>	<u>(17,561)</u>	
Capital outlay	<u>2,500</u>	<u>2,500</u>	<u>1,120</u>	<u>1,380</u>	
Total expenditures	<u>\$ 380,121</u>	<u>\$ 380,121</u>	<u>\$ 389,319</u>	<u>\$ (9,198)</u>	

**Evangeline Parish Sales and Use Tax Commission
Ville Platte, Louisiana**

**Schedule of Funding Progress
For the Year Ended June 30, 2011**

Actuarial Valuation Date	Actuarial Value of Assets	Discount Rate	Unfunded			Covered Payroll	UAAL as a Percentage of Covered Payroll
			Actuarial Accrued Liabilities (AAL)	Actuarial Accrued Liabilities (UAAL)	Funded Ratio		
July 1, 2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A
July 1, 2009	-	2.0%	119,768	119,768	0.0%	84,143	142.34%
July 1, 2010	-	2.0%	119,768	119,768	0.0%	83,716	143.06%

OTHER SUPPLEMENTARY INFORMATION

FIDUCIARY FUND

Sales Tax Collection Fund

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

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

Statement of Changes in Assets and Liabilities
 For the Year Ended June 30, 2011

ASSETS

Balance, beginning of year	\$ <u>26,366</u>
Additions:	
Sales tax collections	18,303,001
Interest earned for General Fund	<u>1,445</u>
Total additions	<u>18,304,446</u>
Total	<u>18,330,812</u>
Reductions:	
Transfer to taxing bodies	17,925,959
Sales tax collection fee	<u>358,328</u>
Total reductions	<u>18,284,287</u>
Balance, end of year	\$ <u>46,525</u>

LIABILITIES

Due to taxing bodies and others, beginning of year	\$ <u>26,366</u>
Additions	18,304,446
Reductions	<u>18,284,287</u>
Due to taxing bodies and others, end of year	\$ <u>46,525</u>

**COMPLIANCE
AND
INTERNAL CONTROL**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Evangeline Parish Sales and Use Tax Commission (Tax Commission), a component unit of the Evangeline Parish Police Jury, as of and for the year ended June 30, 2011, which collectively comprise the Tax Commission's basic financial statements and have issued our report thereon dated November 10, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Tax Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tax Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Tax Commission's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However as described in the accompanying summary schedule of current and prior year audit findings and corrective action plan, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying summary schedule of current and prior year audit findings and correction action plan as item 11-1(IC) to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tax Commission's financial statements are free of 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 statements 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*.

The Evangeline Parish Sales Tax Commission's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan. We did not audit the Tax Commission's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management of the Evangeline Parish Sales and Use Tax Commission and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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

Ville Platte, Louisiana
November 10, 2011

Evangeline Parish Sales and Use Tax Commission
Ville Platte, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Year Ended June 30, 2011

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Completion Date
CURRENT YEAR (6/30/11) --						
<u>Internal Control</u>						
11-1(IC)	2009	The Tax Commission does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.	No	The Tax Commission has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Mike Veillon, Administrator	N/A
PRIOR YEAR (06/30/10) --						
<u>Internal Control</u>						
10-1(IC)	2009	The Tax Commission does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.	No	The Tax Commission has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Mike Veillon, Administrator	N/A