

**Union Parish Sales  
And Use Tax Commission**

**Financial Statements  
For the Year Ended June 30, 2014**



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**Douglas A. Brewer, LLC**  
Certified Public Accountant

**Union Parish Sales and Use Tax Commission**  
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**For the Year Ended June 30, 2014**

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# **Douglas A. Brewer, LLC**

## **Certified Public Accountant**

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### **INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners  
Union Parish Sales & Use Tax Commission  
Ruston, Louisiana

I have audited the accompanying financial statements of the governmental activities and the aggregate remaining fund information of the Union Parish Sales and Use Tax Commission, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the aggregate remaining fund information of the Union Parish Sales and Use Tax Commission, as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-6 and 18 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during our audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

## Other Reporting Required by Government Auditing Standard's

In accordance with *Government Auditing Standards*, I have also issued my report dated November 7, 2014, on my consideration of Union Parish Sales and Use Tax Commission's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Union Parish Sales and Use Tax Commission's internal control over financial reporting and compliance.

*Douglas A. Brewer, LLC*

Ruston, Louisiana  
November 7, 2014

**Union Parish Sales And Use Tax Commission  
Management's Discussion and Analysis  
For the Year Ended June 30, 2014**

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The Management's Discussion and Analysis of the Union Parish Sales And Use Tax Commission's (The Commission) financial performance presents a narrative overview and analysis of Union Parish Sales And Use Tax Commission's financial activities for the eighteen month period ended June 30, 2014. The document focuses on the current year's activities, resulting changes, and currently known facts within the context of the accompanying basic financial statements and disclosures. We encourage readers to consider the information presented here in conjunction with the basic financial statements.

**FINANCIAL HIGHLIGHTS**

- The assets of the Commission, on a government-wide basis, exceeded it's liabilities at June 30, 2013 by \$-0-. Of this amount, \$-0-
- The Commission's total net position increased by \$-0- for the fiscal year ended June 30, 2014.
- The unassigned fund balance of the general fund was \$-0- at June 30, 2014 or .0% of the total general fund expenditures.
- The general fund reported a \$-0- excess of revenues over expenditures at June 30, 2014.
- The Commission remitted \$12,365,445 and \$11,767,595 in taxes and interest to its member agencies for the fiscal years ended June 30, 2014 and 2013. This was net of collection costs and fees of \$136,459 and \$140,389 for the fiscal years, respectively.
- Operating expenses were approximately 1.10% and 1.19% of tax collections for the fiscal years ending June 30, 2014 and 2013, respectively.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following graphic illustrates the minimum requirements for Special purpose Governments engages in fiduciary activities, established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements-and Management's Discussion and analysis-for State and Local Governments.

Management's Discussion and Analysis

Basic Financial Statements

Notes to Financial Statements

The basic financial statements present information for the Commission as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Positions, Statement of Activities, Balance Sheet – Governmental Funds, and Statement of Fiduciary Net Position.

**Union Parish Sales And Use Tax Commission  
Management's Discussion and Analysis  
For the Year Ended June 30, 2014**

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The notes provide additional information that is essential to a full understanding of the basic financial statements.

**GOVERNMENT-WIDE STATEMENTS**

The government-wide statements report information about the Union Parish Sales & Use Tax Commission as a whole using accounting methods similar to those used by private-sector companies. The statement of position and the statement of activities, which are the government-wide statements, include all of the government's assets and liabilities using the accrual basis of accounting, 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 government-wide statements report the Commission's net position and how they have changed. Net Position – the difference between the Commission's assets and liabilities – are one way to measure the Commission's financial health, or financial position. Over time, increases or decreases in the Commission's net position are an indicator of whether its financial health is improving or deteriorating.

In the statement of position and the statement of activities, the Commission is reported in one category:

- Governmental activities – Most of the Commission's basic services are included here, such as the activities of the police, garbage and trash collection, park, and general administration. Franchise fees, insurance taxes, traffic fines, and payments from other governments finance most of these activities.

**FUND FINANCIAL STATEMENTS**

The format of the fund financial statements will be more familiar to traditional users of government financial statements. The fund financial statements provide more detailed information about the Commission's most significant funds – not the Commission as a whole. Funds are accounting mechanisms that the Commission uses to keep track of specific sources of funding and spending for particular purposes.

The Commission has two kinds of funds:

- Governmental funds – Most of the Commission's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances remaining at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Commission's programs. Because this information does not encompass the long-term focus of the government-wide statements, additional information is provided on a subsequent page that explains the relationship (or differences) between the government-wide and fund statements.

**Union Parish Sales And Use Tax Commission  
Management's Discussion and Analysis  
For the Year Ended June 30, 2014**

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- Fiduciary funds – Funds collected on behalf of others. The Commission collects and remits sales and use taxes for its member agencies.

The Total Governmental Funds column requires reconciliation because of the different measurement focus from the government-wide statements (current financial resources versus total economic resources) which is reflected at the bottom of each statement. The flow of current financial resources will reflect interfund transfers as other financing sources as well as capital expenditures as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the Governmental Activities column (in the government-wide statements).

**FINANCIAL STATEMENTS ANALYSIS OF THE ENTITY**

The following are condensed financial statements of the Commission:

**Statement of Position**

	<b>June 30,</b>	
	<b>2014</b>	<b>2013</b>
<b>Assets</b>		
Cash	\$ 6,065	\$ 2,269
Receivables	4,364	745
Capital Assets, net	-	-
<b>Total Assets</b>	<b>\$ 10,429</b>	<b>\$ 3,014</b>
<b>Liabilities And Net Position</b>		
Accounts Payable and Accrued Expenses	\$ 4,364	\$ 350
Internal Balances	6,065	2,664
<b>Total Liabilities</b>	<b>10,429</b>	<b>3,014</b>
<b>Total Net Position</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 10,429</b>	<b>\$ 3,014</b>

**Union Parish Sales And Use Tax Commission  
Management's Discussion and Analysis  
For the Year Ended June 30, 2014**

**Statement of Activities**

	June 30,	
	2014	2013
<b>Revenues</b>		
Intergovernmental Revenues	\$ 136,459	\$ 141,786
<b>Total Revenues</b>	136,459	141,786
<b>Expenses</b>		
Collection Fees	125,015	119,072
Audit & Legal Fees	11,444	22,714
<b>Total Expenses</b>	136,459	141,786
<b>Changes in Net Position</b>	-	-
<b>Net Position at beginning of year</b>	-	-
<b>Net Position at end of year</b>	\$ -	\$ -

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

The Commission owns no capital assets as of June 30, 2014 and 2013. There is no outstanding debt.

**BUDGETARY ANALYSIS**

The Union Parish Sales And Use Tax Commission adopted its 2014/2015 operating budget in the amount of \$156,000. The Commission has contracted its operations out to the Lincoln Parish Sales And Use Tax Commission for a fee of 1% of tax collections.

**ECONOMIC FACTORS**

Sales tax collections have been fairly level for the past twelve months. Union Parish is expecting this trend to continue, but we are unsure how long it will continue.

**CONTACTING THE COMMISSION'S MANAGEMENT**

This financial report is designed to provide a general overview of the Union Parish Sales and Use Tax Commission's fiduciary activities. If you have questions about this report or need additional financial information, contact Jerry W. Moore, Administrator, at (318) 251-8624.

**Union Parish Sales and Use Tax Commission**  
**Statement of Net Position**  
**June 30, 2014**

	<b>Governmental Activities</b>	<b>Total</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 6,065	\$ 6,065
Receivables	4,364	4,364
<b>Total Assets</b>	<b>\$ 10,429</b>	<b>\$ 10,429</b>
 <b>Liabilities and Net Position</b>		
<b>Liabilities</b>		
Accounts Payable and Accrued Expenses	\$ 4,364	\$ 4,364
Internal Balances	6,065	6,065
<b>Total Liabilities</b>	<b>10,429</b>	<b>10,429</b>
 <b>Net Position</b>		
Invested in Capital Assets, Net of Related Debt	-	-
Unrestricted	-	-
<b>Total Net Position</b>	<b>-</b>	<b>-</b>
 <b>Total Liabilities and Net Position</b>	 <b>\$ 10,429</b>	 <b>\$ 10,429</b>

The accompanying notes are an integral part of this financial statement.

**Union Parish Sales and Use Tax Commission**  
**Statement of Activities**  
**For The Year Ended June 30, 2014**

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets Primary Government</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total</u>
<b>Primary Government:</b>						
Governmental Activities:						
General Government	\$ 136,459	\$ -	\$ 136,459	\$ -	\$ -	\$ -
Total Governmental Activities	<u>\$ 136,459</u>	<u>\$ -</u>	<u>\$ 136,459</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Primary Government	<u>\$ 136,459</u>	<u>\$ -</u>	<u>\$ 136,459</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>General Revenues:</b>						
Interest Income				-	-	-
Miscellaneous				-	-	-
Total General Revenues				<u>-</u>	<u>-</u>	<u>-</u>
Changes in Net Position				-	-	-
Net Position - July 1, 2013				-	-	-
Net Position - June 30, 2014				<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.

**Union Parish Sales and Use Tax Commission  
Balance Sheet  
Governmental Funds  
For The Year Ended June 30, 2014**

	<b>General Fund</b>	<b>Total Governmental Funds</b>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 6,065	\$ 6,065
Due From Others	4,364	4,364
<b>Total Assets</b>	<b>\$ 10,429</b>	<b>\$ 10,429</b>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts Payable and Accrued Expenses	\$ 4,364	\$ 4,364
Due To Other Funds	6,065	6,065
<b>Total Liabilities</b>	<b>10,429</b>	<b>10,429</b>
<b>Fund Balances</b>		
Unassigned	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 10,429</b>	

Amounts reported for *Governmental Activities* in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore not reported in the funds

Net Position of Governmental Activities

\$ -

The accompanying notes are an integral part of this financial statement.

**Union Parish Sales and Use Tax Commission**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For The Year Ended June 30, 2014**

	<b>General Fund</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>		
Intergovernmental	\$ 136,459	\$ 136,459
Total Revenues	136,459	136,459
<b>Expenditures</b>		
<b>General Government</b>		
Collection Fees	125,015	125,015
Legal and Audit Fees	11,444	11,444
Total Expenditures	136,459	136,459
<b>Excess (Deficit) of Revenues over Expenditures</b>	-	-
<b>Fund Balances, Beginning of Year</b>	-	-
<b>Fund Balances, End of Year</b>	\$ -	-
<b>Net Changes in Fund Balances - Total Governmental Funds</b>		-
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital assets purchased capitalized		-
Depreciation expense		-
<b>Changes in Net Position in Governmental Activities</b>		\$ -

The accompanying notes are an integral part of this financial statement.

**Union Parish Sales and Use Tax Commission**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2014**

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<b>Assets</b>	
Cash and Cash Equivalents	\$ 98,535
Due From Other Funds	6,065
<b>Total Assets</b>	<u><u>\$ 104,600</u></u>
<b>Liabilities</b>	
<b>Liabilities</b>	
Refunds Due To Taxpayers	\$ 2,000
Due to Taxing Bodies	4,065
Sales Tax Paid Under Protest	98,535
<b>Total Liabilities</b>	<u><u>104,600</u></u>

The accompanying notes are an integral part of this financial statement.

**Union Parish Sales And Use Tax Commission**  
**Notes to Financial Statements**  
**For The Year Ended June 30, 2014**

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

The Union Parish Sales and Use Tax Commission was created on November 1, 2010, for the purpose of collecting, enforcing, and administering the respective sales and use taxes which have been or in the future might be authorized and levied by the various parties involved in the Cooperative Endeavor Agreement.

The Cooperative Endeavor Agreement authorizes the Commission as the single tax collector for the parish, to enter into agreements with any other public bodies located within Union Parish for the collection of any sales and use taxes authorized by such other public bodies, beginning November 1, 2010. The operations of the Commission are under the direction of an administrator appointed by the seven participating agencies. The appointment of the administrator can be revoked by a majority vote of the seven agencies. The seven agencies established the Commission composed of ten members: two from the Union Parish Police Jury, Union Parish School Board, and Union Parish Sheriff's Office, and one member each from the Town of Farmerville, Town of Bernice, Town of Marion, and Village of Junction City.

The Commission's costs of operations shall be divided among the parties on a pro-rata basis based upon the percentage which the amount of taxes, revenues, funds, assessments, monies, penalties, fees, or other income collected on behalf of each of the parties bear to the total amount of such funds collected. The Commission has the authority to hire and administrator and staff or it may contract with third parties for the collection of taxes.

In April 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In November 1984, GASB issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for the state and local government.

The Commission adopted the provisions of GASB Statement No. 34 Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, Statement No. 34 established standards for external reporting for all state and local governmental entities. The Commission is a special-purpose government. It is considered a joint cooperative endeavor of the participating governmental units and, therefore issues financial statements separate from the participants and their governmental components.

**A. Fund Accounting**

The accounts of the Commission are organized on a fund basis whereby a set of self-balancing accounts comprises its assets, liabilities, additions, distributions, and other disbursements, and other disbursements.

**Union Parish Sales And Use Tax Commission**  
**Notes to Financial Statements**  
**For The Year Ended June 30, 2014**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

**C. Cash and Cash Equivalents**

For reporting purposes, cash represents interest bearing demand deposits. Under state law, the Commission may deposit funds within a fiscal agent bank organized under the laws of any other state in the union, or the laws of the United States. Further, the Commission may invest in the deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principle offices in Louisiana.

**D. Sales and Use Taxes – Distribution of Funds**

Sales and use tax collections are distributed monthly based on the tax rates levied by each governmental body. At June 30, 2014, the following rates were in effect:

Union Parish Police Jury	1.00%
Union Parish School Board	2.00%
Union Parish Sheriff's Office	1.00%
Town of Farmerville	1.50%
Town of Bernice	2.00%
Town of Marion	1.00%
Village of Junction City	1.00%

**E. Capital Assets**

General capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets with an original cost of at least \$500 are carried at cost. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 3 to 7 years for software, computer equipment, and furniture. The Commission has no capital assets as of June 30, 2014.

**Union Parish Sales And Use Tax Commission**  
**Notes to Financial Statements**  
**For The Year Ended June 30, 2014**

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**NOTE 2 - CASH AND CASH EQUIVALENTS**

At June 30, 2014, the Commission had cash equivalents (book balances) as follows:

Interest-bearing demand deposits	<u>\$104,600</u>
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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 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. 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. Cash and cash equivalents (bank balances) at June 30, 2012, are secured as follows:

Bank Balances	<u>\$104,600</u>
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The bank balances at June 30, 2014 were covered by Federal Deposit Insurance (FDIC). In addition, the financial institution has pledged securities of \$1,708,486 held to cover account balances in excess of \$250,000 during each month.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 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 Commission that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE 3 – OPERATING EXPENSES**

As discussed in Note 1, the seven participating agencies share the operating expenses of the Union Parish Sales and Use Tax Commission on a pro rata basis. The operating expenses of the Commission for the year ended June 30, 2014, were \$136,459, which is approximately 1.10% of tax collections.

**NOTE 4 – COMMITMENTS AND CONTINGENCIES**

The Commission from time to time is involved in disputes and litigation with taxpayers over the taxability of certain items. When taxes are paid under protest, the disputed funds are deposited in a separate bank account until the dispute is resolved. At June 30, 2014, the Commission held \$98,535 in protested tax remittances.

**Union Parish Sales And Use Tax Commission**  
**Notes to Financial Statements**  
**For The Year Ended June 30, 2014**

**NOTE 5 – THIRD PARTY COLLECTION SERVICES**

The Commission signed a tax collection agreement with the Lincoln Parish Sales & Use Tax Commission in November, 2010. Collection services began January 1, 2011. Lincoln Parish Sales & Use Tax Commission will receive a fee of 1-1/8<sup>th</sup>% of collections for the calendar year 2011 and 1 percent (1%) for 2012 - 2014. Total fees paid during the fiscal year ended June 30, 2014 was \$136,459.

**NOTE 6 – SCHEDULE OF TAX COLLECTIONS AND DISTRIBUTIONS**

The following information is presented on cash basis for the fiscal year ended June 30, 2014:

<b>Taxing Authority and Rate (%)</b>	<b>Total Collections</b>	<b>Collection Costs</b>	<b>Final Distribution</b>
Union Parish School Board (2.0%)	\$ 5,038,030	\$ 54,991	\$ 4,983,039
Union Parish Police Jury (1.00%)	2,519,134	27,497	2,491,637
Union Parish Sheriff's Office (1.00%)	2,519,145	27,496	2,491,649
Town of Farmerville (1.50%)	1,956,490	21,332	1,935,158
Town of Bernice (2.0%)	277,282	2,986	274,296
Town of Marion (1.00%)	186,376	2,096	184,280
Town of Junction City (1.0%)	5,447	61	5,386
<b>Totals</b>	<b>\$ 12,501,904</b>	<b>\$ 136,459</b>	<b>\$ 12,365,445</b>

**NOTE 7 - SUBSEQUENT EVENTS**

Date of Management Evaluation

Management has evaluated subsequent events through November 7, 2014, the date on which the financial statements were available to be issued

**OTHER SUPPLEMENTAL INFORMATION**

**Union Parish Sales and Use Tax Commission**  
**Schedule of Collections, Distributions, and Undistributed Balances**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2014**

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**Collections:**

Sales and use tax	\$ 12,501,786
Interest received	118
<b>Total Collections</b>	<u>12,501,904</u>

**Distributions:**

Union Parish School Board	4,983,039
Union Parish Police Jury	2,491,637
Union Parish Sheriff's Office	2,491,649
Town of Farmerville	1,935,158
Town of Bernice	274,296
Town of Marion	184,280
Town of Junction City	5,386
Operating Expenses Withheld From Distributions	136,459
<b>Total Distributions</b>	<u>12,501,904</u>

**Collections Less Distributions**

<b>Undistributed balances at beginning of year</b>	<u>64,434</u>
Taxes Paid Under Protest	40,166
<b>Undistributed balances at end of year</b>	<u>\$ 104,600</u>

See Independent Auditor's Report.

**Union Parish Sales and Use Tax Commission  
Budgetary Comparison Schedule – General Fund  
For The Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final	GAAP Basis	Favorable (Unfavorable)
<b>Revenues</b>				
Intergovernmental	\$ 126,000	\$ 126,000	\$ 136,459	\$ 10,459
Total Revenues	126,000	126,000	136,459	10,459
<b>Expenditures</b>				
<b>General Government</b>				
Collection Fees	118,000	118,000	125,015	(7,015)
Audit & Legal Fees	8,000	8,000	11,444	(3,444)
Capital Expenditures	-	-	-	-
Total Expenditures	126,000	126,000	136,459	(10,459)
<b>Excess (Deficit) of Revenues over Expenditures</b>	-	-	-	-
<b>Fund Balances, Beginning of Year</b>	-	-	-	-
<b>Fund Balances, End of Year</b>	\$ -	\$ -	\$ -	\$ -

See Independent Auditor's Report.

# Douglas A. Brewer, LLC

## Certified Public Accountant

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### INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners  
Union Parish Sales and Use Tax Commission  
Ruston, Louisiana

I 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, and the aggregate remaining fund information, of the Union Parish Sales and Use Tax Commission, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Union Parish Sales and Use Tax Commission's basic financial statements, and have issued my report thereon dated November 7, 2014.

#### **Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered the Union 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 my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, I do not express an opinion on the effectiveness of the Union Parish Sales and Use Tax Commission's internal control.

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

My 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 my audit I did not identify any deficiencies in internal control that I 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 Union Parish Sales and Use Tax Commission's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and is described in the accompanying schedule of findings and questioned costs as item 2014-01.

### **Purpose of this Report**

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

*Douglas A. Brewer, LLC*

Ruston, Louisiana  
November 7, 2014

**Union Parish Sales & Use Tax Commission  
 Schedule of Findings and Questioned Costs  
 For The Year Ended June 30, 2014**

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I have audited the financial statements of the Union Parish Sales & Use Tax Commission as of and for the year ended June 30, 2014, and have issued my report thereon dated November 7, 2014. I conducted my 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. My audit of the financial statements as of June 30, 2014, resulted in an unmodified opinion.

**Section I- Summary of Auditors' Reports**

**A. Independent Auditor's Report on Internal Control and Compliance Material to the Financial Statements**

	<u>Yes</u>	<u>No</u>
<b><u>Internal Control</u></b>		
Material Weaknesses		X
Significant Deficiencies		X
<b><u>Compliance</u></b>		
Noncompliance Material to Financial Statements	X	

**B. Federal Awards – N/A**

**C. Identification of Major Programs: N/A**

**Union Parish Sales & Use Tax Commission  
Schedule of Findings and Questioned Costs  
For The Year Ended June 30, 2014**

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**Section II- Financial Statement Findings**

**2014-01      Budget Authority and Control**

Condition:

It was noted that actual expenditures on the general fund were above the total budgeted expenditures by more than five percent.

Recommendation:

The Commission should amend it's budget when situations occur that would cause it not to meet it budgetary goals by 5 percent or more during the fiscal year.

Response:

The Commission will monitor the actual expenditures, as well as revenues, closer as they relate to the adopted budgets and will adopt amendments to the original budget when it becomes necessary.

Status:

Cleared.

**Section III-Federal Award Findings and Question Costs**

This section is not applicable for this entity.

**Union Parish Sales & Use Tax Commission  
Schedule of Prior Year Findings  
For the Year Ended June 30, 2014**

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**Internal Control and Compliance Material to the Financial Statements**

**2013-01      Budget Authority and Control**

Condition:

It was noted that the Commission did not adopt a formal operating budget for the eighteen month period ended June 30, 2012, nor was one adopted for the fiscal year ending June 30, 2013.

Recommendation:

The Commission should adopt an operating budget for its general fund for each year.

Response:

The Commission did not realize it needed to adopt a budget due to the fact that it is paying a percentage of collections to the Lincoln Parish Sales And Use Tax Commission to collect its taxes. The Commission will adopt budgets as required by state law.

Status:

Cleared.

**Management Letter**

No management letter was issued.

**Union Parish Sales & Use Tax Commission  
Management's Corrective Action Plan  
For The Year Ended June 30, 2014**

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**Section II- Financial Statement Findings**

**2014-01      Budget Authority and Control**

Condition:

It was noted that actual expenditures on the general fund were above the total budgeted expenditures by more than five percent.

Response:

The Commission will monitor the actual expenditures, as well as revenues, closer as they relate to the adopted budgets and will adopt amendments to the original budget when it becomes necessary.

Status:

Cleared.