

**Webster Parish Sales and Use Tax Commission
Minden, Louisiana**

**Annual Financial Report
For the Year Ended December 31, 2003**

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 Basin Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-28-04

Webster Parish Sales and Use Tax Commission
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Independent Auditor's Report

Board Members

Wibauter Parish Sales and Use Tax Commission
Minden, Louisiana

We have audited the accompanying general-purpose financial statements of the Wibauter Parish Sales and Use Tax Commission as of and for the year ended December 31, 2003, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these general-purpose 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 of America. These 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 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 opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of December 31, 2003, and the results of operations 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 April 21, 2004, on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the Commission taken as a whole. The accompanying supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

Also, the accompanying other information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of the Commission. Such information has not been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, accordingly, we express no opinion on it.

Allen, Green & Williamson, LLP
ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
April 20, 2004

WEBSTER PARISH SALES AND USE TAX COMMISSION

All Fund Types and Account Groups
Combined Balance Sheet
December 31, 2001

Statement A

	GOVERNMENTAL		ACCOUNT GROUPS		TOTAL PRECEDING ONLY	
	FUNDS	GENERAL	GENERAL			
	GENERAL	FUND	LONG-TERM			
FUND	ASSETS	LIABILITIES				
ASSETS AND OTHER DEBITS						
Assets						
Cash	\$	21,804	\$	0	\$	21,804
Investments		500		0		500
Land, buildings and equipment		0		17,000		17,000
Other debits						
Amount to be provided for retirement of general long-term obligations		0		26,781		26,781
TOTAL ASSETS AND OTHER DEBITS		<u>22,304</u>		<u>17,000</u>		<u>39,304</u>
LIABILITIES, EQUITY AND OTHER CREDITS						
Liabilities						
Accounts payable		8,400		0		8,400
Compensated absences payable		0		26,781		26,781
Total Liabilities		<u>8,400</u>		<u>26,781</u>		<u>35,181</u>
Equity and other credits						
Investment in general fund assets		0		17,000		17,000
Fund Balance:						
Unreserved:						
Undesignated		21,804		0		21,804
Total equity and other credits		<u>21,804</u>		<u>17,000</u>		<u>38,804</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$	<u>30,204</u>	\$	<u>17,000</u>	\$	<u>47,204</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

WESTER PARISH SALES AND USE TAX COMMISSION

**All Governmental Funds
Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended December 31, 2003**

Statement 0

	<u>GENERAL</u>
	<u>FUND</u>
REVENUES	
Local sources:	
Collection fees	\$ 280,233
Interest earned	51
Other revenue	<u>684</u>
Total revenues	<u>280,968</u>
EXPENDITURES	
Current:	
Office expenses	50,380
Personnel services	100,380
Insurance expenses	2,410
Legal expenses	7,489
Travel expenses	3,200
Utilities	5,759
Miscellaneous supplies	88
Maintenance and repairs	2,189
HST checks and bank charges	387
Capital expenditures	<u>10,176</u>
Total expenditures	<u>243,508</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	37,460
FUND BALANCE AT BEGINNING OF YEAR	<u>8,832</u>
FUND BALANCE AT END OF YEAR	<u>\$ 46,292</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

WEBSTER PARISH SALES AND USE TAX COMMISSION

All Governmental Funds
 Statement of Revenues, Expenditures, and Changes
 in Fund Balance - Budget (GAAP Basis) and Actual
 For the Year Ended December 31, 2002

Statement C

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Collection fees	\$ 280,000	\$ 280,000	0
Interest earned	0	51	51
Other revenue	0	654	654
Total revenues	<u>280,000</u>	<u>280,654</u>	<u>654</u>
EXPENDITURES			
Current:			
Office expense	80,000	80,000	0
Personnel services	180,140	180,900	8,760
Insurance expense	3,700	3,410	290
Legal expense	10,710	7,400	3,310
Travel expense	4,000	3,300	700
Utilities	4,000	3,700	300
Materials and supplies	0	0	0
Maintenance and repairs	3,100	3,100	0
WSP checks and bank charges	0	50	50
Capital expenditures	10,170	10,170	0
Total expenditures	<u>295,620</u>	<u>293,030</u>	<u>2,590</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	0	10,381	10,381
FUND BALANCE AT BEGINNING OF YEAR	<u>0</u>	<u>0,000</u>	<u>0,000</u>
FUND BALANCE AT END OF YEAR	<u>\$ 0</u>	<u>\$ 10,381</u>	<u>\$ 10,381</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Wabeno Parish Sales and Use Tax Commission
Notes to the General-Purpose Financial Statements
December 31, 2003

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Webster Parish Sales and Use Tax Commission
Notes to the General-Purpose Financial Statements
December 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying financial statements of the Webster Parish Sales and Use Tax 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 Calico, the Town of Sanguin, 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 33:2344, to provide centralized sales tax collection within Webster Parish. The Commission is composed of nine members, one appointed by each taxing body. Each Commissioner will have one vote with the exception of those who represent taxing bodies having revenues in excess of one million dollars, which will have two votes. Commissioners serve without compensation.

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Commission is 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. As used in GASB Statement 14, fiscally independent means that the Commission may, without the approval or consent of another governmental entity, determine or modify its own budget and set its own rates or charges. The Commission also has no component units, defined by GASB Statement 14 as other legally separate organizations for which the appointed Commission members are financially accountable. There are no other primary governments with which the Commission has a significant relationship.

B. FUNDS AND ACCOUNT GROUPS The accounts of the Commission are organized and operated on the basis of funds and account groups. 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 are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in these funds.

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 account group classifications 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 or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

General fund – 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. Trust funds account for assets held by the government under the terms of a formal trust agreement.

Webster Parish Sales and Use Tax Commission
Notes to the General-Purpose Financial Statements
December 31, 2009

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. The agency fund is as follows:

Sales tax collection agency fund – accounts for monies collected on behalf of other taxing authorities within the parish.

Asset Group

The *general fixed assets group* is used to account for fixed assets not accounted for in proprietary or trust funds.

The *general long-term debt account group* is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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 liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unamortized interest on general 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 recorded when the commission is entitled to the funds which is when the taxes are collected.

Interest income is recorded monthly as interest is earned.

Other revenue income measurable and available when cash is received by the Commission and are recognized as revenue at that time.

Expenditures

Salaries are recorded as paid.

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

Webster Parish Sales and Use Tax Commission
Notes to the General-Purpose Financial Statements
December 31, 2000

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

D. 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.

Fiscal 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, there were no amendments for the current year.

Encumbrance Accounting. Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriations, 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 balances must equal or exceed total budgeted expenditures and other financing uses. State statute requires 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.

E. 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-RS. 13:2915. 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.

Water and Sewer Utility Tax Commission
Notes to the General-Purpose Financial Statements
December 31, 2000

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

The investment objective of the LAMP is the preservation of capital and the maintenance of liquidity and, to the extent consistent with such objective, current yield.

The LAMP was established as a cooperative endeavor to enable public entities of the state of Louisiana to aggregate funds for investment. This pooling is intended to improve administrative efficiency and increase investment yield. The Board of Directors of LAMP provides certain management and administrative services to LAMP and, through a competitive bidding process, selects a custodial bank and an investment advisor. The custodial bank holds the assets of LAMP and the investment decisions are made by the investment advisor. Both the custodial bank and the investment advisor are subject to the review and oversight of LAMP.

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.

The LAMP may invest in U. S. Government Securities and is designed to comply with regulations on investments by municipalities, partners, and other types of political subdivisions imposed under Louisiana Revised Statute 11:2952.

The LAMP seeks to maintain a stable net asset value of \$1.00 per unit, but there can be no assurance that the LAMP will be able to achieve this objective. The LAMP's portfolio securities are valued at fair value. The LAMP operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, as amended, which governs money market funds (although the LAMP is not a money market fund and has no obligation to conform to this rule.) In addition, the LAMP will generally comply with other aspects of that rule, including the requirements that all portfolio securities acquired by the LAMP must have, at the time of purchase, a maximum remaining maturity of 397 days and must certain additional quality standards and that the LAMP maintain a dollar-weighted average portfolio maturity of not more than 90 days.

The fair value of the position in the pool is the same as the value of the pool shares.

F. INVENTORY Inventories of the governmental fund-type are recorded as expenditures as purchased.

G. FIXED ASSETS Fixed assets used in governmental fund types of the Commission are recorded in the general fixed assets account group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Assets in the general fixed assets account group are not depreciated.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included in the general fixed assets account group.

H. COMPENSATED AGENCIES All 12-month employees earn from 5 to 20 days of noncumulative vacation leave each year to be used by each employee's anniversary date. Upon separation of employment, an employee shall be compensated for all unused vacation leave based on his salary at the date of discharge or resignation.

Webster Parish Sales and Use Tax Commission
Notes to the General-Purpose Financial Statements
December 31, 2003

All 12-month employees earn 12 days of sick leave each year. Sick leave can be accumulated up to a maximum of 60 days.

Upon retirement or death, unused accumulated sick leave 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 and the Municipal Employees Retirement System of Louisiana, all unpaid sick leave is used in the retirement benefit computation as stated service.

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

GASB Statement No. 18 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 employee's 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. 15 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 bereavement.
- 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.

Only the current portion of the liability for compensated absences is reported in the fund. The current portion is the amount left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. The remainder of the liability is reported in the general long-term obligations account group.

I. LONG-TERM OBLIGATIONS The Commission reports long-term debt of governmental funds at face value in the general long-term debt account group. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the general long-term obligations group.

A. FUND EQUITY

Reserves Reservations of fund balances represent amounts that are not appropriable or are legally segregated for a specific purpose.

Designated Fund Balances Designations of fund balances represent tentative management plans that are subject to change.

Webster Parish Sales and Use Tax Commission
Notes to the General-Purpose Financial Statements
December 31, 2003

KL. MEMORANDUM-ONLY - TOTAL COLUMNS: Total columns on the general-purpose financial statements are captioned as "Memorandum Only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position or results of operations in accordance with generally accepted accounting principles. Interfund transactions have not been made in aggregation of this data.

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.

NOTE 2 - DEPOSITS: 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 \$17,954 and the bank balance was \$496,214. Of the bank balance, \$101,500 is covered by federal depository insurance or by collateral held by the Commission's agent in the Commission's name (GAAB Category 1). \$385,714 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Commission's name (GAAB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GAAB Statement 3, Louisiana Revised Statute 49:1219 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 - INVESTMENTS: Investments are categorized into three categories of credit risk:

1. Insured or registered, or securities held by the School Board or its agent in the Commission's name.
2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the Commission's name.
3. Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the Commission's name.

At year end, the Commission investment balance included the following:

	<u>Carrying Amount</u> <u>Fair Value</u>
Investments not subject to categorization:	
External investment pool (LAMIP)	<u>\$114</u>

Webster Parish Sales and Use Tax Commission
Notes to the General-Purpose Financial Statements
December 31, 2000

NOTE 4 - FIXED ASSETS The changes in general fixed assets follow:

	Balance Beginning	Additions	Deletions	Balance Ending
Equipment	\$65,041	\$10,176	\$11,855	\$63,362
Furniture and fixtures	11,858	0	0	11,858
Total	\$76,899	\$10,176	\$11,855	\$75,220

NOTE 5 - RETIREMENT SYSTEMS Substantially all Commission employees participate in the Teachers' Retirement System or the Municipal Employees Retirement System of Louisiana, which are a cost-sharing, multiple-employer public employer retirement systems (PERS). Benefit provisions are ultimately approved and amended by the Louisiana Legislature. Pertinent information relative to each plan is as follows:

Teachers' Retirement System

Plan description Participation in the Teachers' Retirement System is divided into two plans - the Teachers' Regular Plan and the Teachers' Plan A. All Commission employees participate in the Teachers' Regular Plan. Generally, all full-time employees are eligible to participate in the system.

With respect to the Teachers' Retirement System Regular Plan, normal retirement is at age 60 with ten years of service, or at any age with 30 years of service. The formula for annual maximum retirement benefits is generally two percent (with less than 25 years of service) or 2.5 percent (with 25 or more years of service) times the years of creditable service times the average salary of the 36 highest successive months (plus \$500 applicable to persons becoming members prior to July 1, 1995).

TRS issues an annual financial report. The report can be obtained by telephoning or writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, (1225) 825-6446.

Funding Policy Each system is administered and controlled at the state level by a separate board of trustees, with contribution rates approved and amended by the Louisiana Legislature. Benefits of the systems are funded by employee and employer contributions. Benefits granted by the retirement systems are guaranteed by the state of Louisiana under provisions of the Louisiana Constitution of 1994. The Commission's employee contribution for the TRS, as provided by state law, is funded by the state of Louisiana through annual appropriations and by reimbursements from the Commission.

Contribution rates (as a percentage of covered salaries) for active plan members as established by the Louisiana Legislature for the year ended December 31, 2000, are as follows:

Louisiana Teachers' Retirement System, Regular	Employee	Employer
	8.00%	13.10%

Total covered payroll of the Commission for TRS - Regular Plan for the year ended December 31, 2000, amounted to \$84,898. Employer contributions for the past three years are as follows:

Webster Parish Sales and Use Tax Commission
Notes to the General-Purpose Financial Statements
December 31, 2003

<u>Fiscal Years Ended</u>	<u>Annual Actuarially Required Contribution</u>	<u>Percentage of Annual Required Contribution Paid</u>
December 31, 2003	\$14,398	86.40
December 31, 2002	14,674	88.09
December 31, 2001	13,089	93.67

Annual actuarially required contributions for the plan above is based on the plan's annual financial report for the year ended June 30, 2003, which is the latest information available.

Municipal Employees Retirement System of Louisiana

Plan Description: The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. One employee of the Commission is eligible to participate in Plan A.

With respect to Plan A, employees who retire at or after age 60 with at least ten years of service, at or after age 55 with at least 25 years of service, or at any age with at least 30 years of service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or jointed months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefits accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual financial report. The report can be obtained by telephoning or writing to the Municipal Employees Retirement System of Louisiana, 7907 Office Park Boulevard, Baton Rouge, Louisiana 70809, (225) 924-4810.

Funding Policy: Under Plan A, members are required by state statute to contribute 9.25 percent of their annual covered salary and the Commission is required to contribute at an actuarially determined rate. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. Contribution rates (as a percentage of covered salaries) for active plan members as established by the Louisiana Legislature for the year ended December 31, 2003, are as follows:

<u>Municipal Employees Retirement System of Louisiana, Plan A</u>	<u>Employee</u>	<u>Employer</u>
	<u>9.24%</u>	<u>93.43%</u>

Total covered payroll of the Commission for MERS - Plan A for the year ended December 31, 2003, amounted to \$1,244. Employer contributions for the year ended December 31, 2003, is as follows:

Webster Parish Sales and Use Tax Commission
Notes to the General-Purpose Financial Statements
December 31, 2003

<u>Final Years Ended</u>	<u>Annual Actuarially Required Contribution</u>	<u>Percentage of Annual Required Contribution Paid</u>
December 31, 2003	\$1,144	100
December 31, 2002	1,302	100
December 31, 2001	1,512	100

Annual actuarially required contributions for the plan above is based on the plan's annual financial report for the year ended June 30, 2003, which is the latest information available.

NOTE 6 - ACCOUNTS, SALARIES AND OTHER PAYABLES: The payables at December 31, 2003, are as follows:

Payroll withholdings	<u>General</u> <u>\$6,412</u>
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NOTE 7 - COMPENSATED ABSENCES: At December 31, 2003, employees of the Commission have accumulated and vested \$26,182 of employee leave benefits, which was computed in accordance with GASB Codification Section 08. Of this amount, \$26,762 is recorded within the general long-term debt account group.

NOTE 8 - AGENCY FUND DEPOSITS (OR OTHERS): A summary of changes in agency fund deposits are shown below:

	<u>Balance</u> <u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>Ending</u>
Sales tax collection	\$0	\$17,268,181	\$17,268,181	\$0

NOTE 9 - GENERAL LONG-TERM OBLIGATIONS: The following is a summary of the long-term obligation transactions for the year ended December 31, 2003:

	<u>Compensated Absences</u>
Balance, beginning of year	\$28,531
Additions	14,121
Deductions	<u>16,470</u>
Balance, end of year	<u>\$26,182</u>

NOTE 10 - RISK MANAGEMENT: The Commission is fully insured for workers' compensation after considering the deductible of \$100,000 per accident. The Commission is also at-risk for property damage, liability and theft which are covered by insurance policies.

NOTE 11 - LITIGATION AND CLAIMS

Litigation: At December 31, 2003, the Commission is not involved in any litigation.

Webster Parish Sales and Use Tax Commission
Notes to the General Purpose Financial Statements
December 31, 2003

NOTE 12 - OPERATING LEASE The Commission leases an office building for \$1,140 per month. The gross rent will increase two percent annually during the term of the lease which expires January 2004. Rental expense for the year was \$13,678.

The Commission leases a copier for \$279 per month for a term of 48 months. Rental expense for the year was \$4,141.

Webster Parish Sales and Use Tax Commission

AGENCY FUND

SALES TAX COLLECTION FUND: The sales tax collection agency accounts for monies collected on behalf of the other taxing authorities in Webster Parish. Upon receipt of sales tax returns and monies, the Commission issues checks to other taxing authorities periodically throughout each month.

WEBSTER PARISH SALES AND USE TAX COMMISSION

SALES TAX COLLECTION FUND
 Schedule of Changes in Deposits Due Officers
 For the Year Ended December 31, 2003

Exhibit 1

DEPOSIT BALANCE AT BEGINNING OF YEAR	\$ _____
ADDITIONS	
Sales tax collections	<u>17,208,192</u>
DEDUCTIONS	
Transfer to General Fund - Sales Tax Collection Fee	360,478
Payments to:	
Louisiana Department of Revenue	18,700
Parish School Board	8,848,331
Parish Police Jury	2,147,400
City of Iberville	2,797,019
City of Springhill	1,841,000
Town of Cotton Valley	47,247
Town of Callet	101,843
Town of Wilcox	143,000
Town of Sarcoxie	88,700
Village of Oak Inn	181,800
Visitor's & Convention Bureau	53,319
Fees for Audit of Sales Tax Returns	27,000
Refunds	8,000
Revenue receivable	0
Other	<u>2,000</u>
Total deductions	<u>17,208,192</u>
DEPOSIT BALANCE AT END OF YEAR	\$ _____



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2011 - 2012

Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Board Members

Walter Parish Sales and Use Tax Commission

Monroe, Louisiana

We have audited the financial statements of the Walter Parish Sales and Use Tax Commission, as of and for the year ended December 31, 2003, and have issued our report thereon dated April 20, 2004. 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 of America.

Compliance

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board and management and is not intended to be and should not be used by anyone other than those specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:511 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana

April 28, 2004

Webster Parish Sales and Use Tax Commission
Summary Schedule of Prior Audit Findings
December 31, 2003

Reference and title: 92-11 Louisiana Local Government Budget Act

Finding initially reported: December 31, 2001.

Condition: LSA-R.S. 92:1106 requires a political subdivision with total proposed expenditures of two hundred fifty thousand dollars or more from the general fund and any special revenue funds to afford the public an opportunity to participate in the budgetary process prior to adoption of the budget. The political subdivision is to publish a notice in the official journal stating that the proposed budget is available for inspection along with the date, time and place of the public hearing. The notice must be published at least ten days prior to the date of the first public hearing.

The Commission published the notice of public hearing only five days prior to the meeting.

Corrective action taken: The Commission published the notice at least ten days prior to the date of the first public hearing.