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ASCENSION PARISH SALES AND USE TAX AUTHORITY

DONALDSONVILLE, LOUISIANA

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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.

Release Date 2/25/98



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ASCENSION PARISH SALES AND USE TAX AUTHORITY

MONALROVILLE, LOUISIANA

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1997



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Ascension Parish Sales and Use
Tax Authority
Donaldsonville, Louisiana

We have audited the accompanying general-purpose financial statements of the Ascension Parish Sales and Use Tax Authority as of and for the year ended June 30, 1997, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Ascension Parish Sales and Use Tax Authority'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 generally accepted auditing standards 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. A 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 Ascension Parish Sales and Use Tax Authority as of June 30, 1997, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued reports dated December 18, 1997 on our consideration of Ascension Parish Sales and Use Tax Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Donaldsonville, Louisiana
December 18, 1997

ASCENSION PARISH SALES AND USE TAX AUTHORITY
COMBINED BALANCE SHEET - AGENCY FUND TYPE AND ACCOUNT GROUPS
June 30, 1997

	Primary Fund Type	Account Groups		Totals Memorandum Only
	Agency Fund Type	General Fund Assets	General Long Term Debt	
ASSETS				
Cash	\$ 4,137,664	\$ -	\$ -	\$ 4,137,664
Furniture and equipment	-	82,830	-	82,830
Amounts to be provided for compensated absences	-	-	4,800	4,800
Total Assets	<u>\$ 4,137,664</u>	<u>\$ 82,830</u>	<u>\$ 4,800</u>	<u>\$ 4,225,304</u>
LIABILITIES				
Accounts payable	\$ 3,057	\$ -	\$ -	\$ 3,057
Provisional tax payments	297,351	-	-	297,351
Due to taxing bodies	3,897,646	-	-	3,897,646
Compensated absences payable	-	-	4,800	4,800
Total Liabilities	<u>4,137,654</u>	<u>-</u>	<u>4,800</u>	<u>4,141,654</u>
FUND EQUITY				
Investment in general fund assets	-	82,830	-	82,830
Total Liabilities and Fund Equity	<u>\$ 4,137,654</u>	<u>\$ 82,830</u>	<u>\$ 4,800</u>	<u>\$ 4,225,304</u>

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



ASCENSION PARISH SALES AND USE TAX AUTHORITY
Denham Springs, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

The Ascension Parish Sales and Use Tax Authority was created October 5, 1989 for the purpose of collecting, administering and distributing the various sales and use taxes levied by entities within Ascension Parish, and the occupational license tax and the habitation tax for the Ascension Parish Council. The Authority is governed by a Board of Directors. The Board is composed of the Chief Administrative Officer (an appointee) for each governing authority of any participating entity, having a history of collecting an average of \$1,000,000 of sales taxes for two consecutive years. As of year end, the Board consisted of a member of the Ascension Parish School Board, Ascension Parish Council and the City of Gonzales.

1. Summary of Significant Accounting Policies

A. Reporting Entity

For financial reporting purposes, the Authority includes all funds and account groups that are within or under the direct responsibility of the Authority.

B. Fund Accounting

The financial transactions of the Ascension Parish Sales and Use Tax Authority are recorded in an agency fund and an account group. The operations of the agency fund are accounted for with a separate set of self-balancing accounts that comprise its assets and liabilities. The account group represents a financial reporting device designed to provide accountability for certain assets and liabilities which are not recorded in the fund because they do not affect the net reportable available financial resources.

The Ascension Parish Sales and Use Tax Authority uses the following fund type and account group:

Fund Type:

Agency Fund - The Agency Fund is used to account for assets held by the Ascension Parish Sales and Use Tax Authority in a trustee capacity or as an agent for the taxing authorities at (Note C).

Account Group

General Fixed Asset Account Group - The General Fixed Assets Account Group is used to account for all fixed assets of the Ascension Parish Sales and Use Tax Authority.

General Long Term Debt Account Group - The General Long Term Debt Account Group is used to account for incurred liabilities.

ACCESSION PARISH SALES AND USE TAX AUTHORITY
Terrebonne Parish, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies (continued)

C. Basis of Accounting

Agency Funds are accounted for on the modified accrual basis of accounting. Collections of sales taxes are recognized when received and expenditures are recognized when the related fund liability is incurred.

D. Total Columns on Combined Statements

Total columns on the combined financial statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

E. Fixed Assets

All fixed assets acquired or constructed for general governmental purposes are reported as expenditures to the fund that finances the asset acquisition and capitalized in the General Fixed Assets Account Group at historical cost.

The following is a summary of changes in the general fixed assets account group during the fiscal year:

	June 30, 1992
Beginning balance	\$ 54,321
Additions	34,350
Deletions	(.....6,554)
Ending balance	\$82,117

F. Cash and Cash Equivalents

State law authorizes the Accession Parish Sales and Use Tax Authority to deposit tax collections in a bank chartered in the parish where the funds are collected. Furthermore, the Accession Parish Sales and Use Tax Authority may invest these deposits in certificates of deposit or other investments permitted by law.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
Bossierette, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies (continued)

G. Participating Entities

As of June 30, 1997, the Authority collected taxes for the following entities:

1. Ascension Parish Council
2. Ascension Parish School Board
3. Ascension Parish District Number Two
4. City of Donaldsonville
5. City of Gonzales
6. City of Sorensen
7. East Ascension Drainage District
8. West Ascension Hospital Service District

H. Compensated Absence

Employees accrue 12 days of sick leave per year depending upon the number of months worked. Sick leave may be accumulated without limitation. Upon death or retirement, annual accumulated sick leave of up to 45 days is paid to employees or their heirs at the employee's current rate of pay. The annual computation for annual sick leave is calculated on a 45-day maximum per employee. Sick leave is payable upon discharge or termination.

All employees earn 10 to 20 days of annual vacation leave per year depending on length of service with the Parish Board. Sick leave is credited on a pro rata basis at the end of each payroll reported period and accumulated until the individual has 30 days. Annual leave is not paid upon termination of employment.

In Governmental Fund types, sick and vacation leave that has been claimed by employees as of the end of the fiscal year is recorded as an expenditure in the year claimed. Sick leave has been accrued as of the end of the fiscal year is valued using employees' current rates of pay, and the total is included in the General Long-Term Obligations Account Group. Annual sick and vacation leave will be paid from future years' resources. No allowance is made for the historical amounts of sick and vacation leave forfeited when employees resign or retire.

2. Cash

At year end, the carrying amount of the Authority's deposits was \$2,777,279 and the bank balance was \$4,879,024. Of the bank balance, \$1,091,000 was covered by federal depository insurance, \$3,825,824 was covered by letters of credit by the pledging bank's agent in the Authority's name.



ASCENSION PARISH SALES AND USE TAX AUTHORITY
Donaldsonville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

3. Taxes Paid Under Protest/Litigation

The Authority has various suits against it protesting taxes paid under protest. The amount of taxes paid under protest at June 30, 1997 was \$277,251. The ultimate resolution of these suits cannot be determined.

4. Changes in Agency Fund Deposits Due Others

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

	<u>June 30, 1997</u>
Balance, beginning of year	\$ 3,663,549
Additions	
Taxes and licenses collected	46,318,000
Interest	64,366
Other	-
	46,382,366
Reductions	
Taxes paid	
- School Board	22,445,088
- Parish Council	7,718,857
- Drainage District	4,887,384
- Gonzalez	4,484,040
- District No. 2	3,814,729
- Donaldsonville	3,166,989
- Hospital District	796,646
- Sorensen	158,688
- Occupational Licenses	760,624
- Tax Fees	31,291
- Operating Expenses	388,387
	48,180,784
Balance, end of year	\$ 3,827,161



ASCENSION PARISH SALES AND USE TAX AUTHORITY
Bossierville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

3. Defined Benefit Pension Plans and Postemployment

Substantially all employees of the Authority are members of Teachers Retirement Systems. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by a board of trustees. Pertinent information relative to the each plan follows:

Plan Description. The TRS consists of three membership plans: Regular Plan, Plan A, and Plan B. The TRS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and secured by state statute. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRS. This report may be obtained by writing to the Teachers Retirement Systems of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (504) 937-4440.

Funding Policy. Plan members are required to contribute 4.8 percent, 9.1 percent, and 5.8 percent of their annual covered salary for the Regular Plan, Plan A, and Plan B, respectively. The School Board is required to contribute at an actuarially determined rate. The asset rate is 10.5 percent of annual covered payroll for all three membership plans. Member contributions and employer contributions for the TRS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contributions for the TRS, as provided by state law, is funded by the State of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the School Board.

The School Board's contributions to the TRS for the years ended June 30, 1997, 1996, and 1995, were \$26,327, \$38,561, and \$33,946, respectively, equal to the required contributions for each year.



OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS





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REPORT ON COMPLIANCE AND INTERNAL CONTROL WITH RESPECT TO FINANCIAL REPORTING BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS

Board of Directors
Assessor Parish Sales and
Use Tax Authority
Donaldsonville, Louisiana

We have audited the financial statements of the Assessor Parish Sales and Use Tax Authority as of and for the year ended June 30, 1997, and have issued our report thereon dated December 18, 1997. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Assessor Parish Sales and Use Tax Authority'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 these 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 that are required under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Assessor Parish Sales and Use Tax Authority'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 over financial reporting that might 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 a misstatement 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 for the information of the audit committee, management and other recording agencies and persons with a direct interest. However, this report is a matter of public record and its distribution is not limited.

Pasdelhutte & Netterville

Donaldsonville, Louisiana
December 18, 1997