

ASCENSION PARISH SALES AND USE TAX AUTHORITY

DONALDSONVILLE, LOUISIANA

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1999

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Release Date JAN 22 2000





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DONALDSONVILLE, LOUISIANA

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1999



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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, 1999, 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. 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 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, 1999, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 17, 1999 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.

The year 2000 supplementary information on page 8 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the Ascension Parish Sales and Use Tax Authority is or will become year 2000 compliant, that the Ascension Parish Sales and Use Tax Authority's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Ascension Parish Sales and Use Tax Authority does business are or will become year 2000 compliant.

Postlethwaite & Netterville

December 17, 1999



ASCENSION PARISH SALES AND USE TAX AUTHORITY
COMBINED BALANCE SHEET - AGENCY FUND TYPE AND ACCOUNT GROUPS
JUNE 30, 1999

	Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
	Agency Fund Type	General Fixed Assets	General Long Term Debt	
<u>ASSETS</u>				
Cash	\$ 6,443,369	\$ -	\$ -	\$ 6,443,369
Furniture and equipment	-	84,977	-	84,977
Amount to be provided for compensated absences	-	-	13,900	13,900
Total Assets	\$ 6,443,369	\$ 84,977	\$ 13,900	\$ 6,542,246
<u>LIABILITIES</u>				
Protested tax payments	\$ 130,857	-	-	\$ 130,857
Due to taxing bodies	6,312,512	-	-	6,312,512
Compensated absences payable	-	-	13,900	13,900
Total Liabilities	6,443,369	-	13,900	6,457,269
<u>FUND EQUITY</u>				
Investment in general fixed assets	-	84,977	-	84,977
Total Liabilities and Fund Equity	\$ 6,443,369	\$ 84,977	\$ 13,900	\$ 6,542,246

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



ASCENSION PARISH SALES AND USE TAX AUTHORITY

Donaldsonville, 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 hotel/motel tax for the Ascension Parish Council. The Authority is governed by a Board of Directors. The Board is composed of the Chief Administrative Officer (or appointee) for each governing authority of any participating entity having a history of collecting in excess 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 Authority, 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 oversight 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 net expendable available financial resources.

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

Fiduciary 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 Assets 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 noncurrent liabilities.



ASCENSION PARISH SALES AND USE TAX AUTHORITY

Donaldsonville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

1. **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 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 in 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:

	<u>June 30, 1999</u>
Beginning balance	\$ 80,726
Additions	7,304
Deletions	<u>(3,053)</u>
Ending balance	<u>\$ 84,977</u>

F. **Cash and Cash Equivalents**

State law authorizes the Ascension Parish Sales and Use Tax Authority to deposit tax collections in a bank domiciled in the parish where the funds are collected. Furthermore, the Ascension 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
Donaldsonville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

G. Participating Entities

As of June 30, 1999, 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 Sorrento
7. East Ascension Drainage District
8. West Ascension Hospital Service District
9. Ascension Parish Sheriff

H. Compensated Absences

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, unused accumulated sick leave of up to 45 days is paid to employees or their heirs at the employees' current rate of pay. The accrual computation for earned 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 Authority. Such leave is credited on a pro rata basis at the end of each payroll reported period and accumulates until the individual has 50 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 and is valued using employees' current rates of pay, and the total is included in the General Long-Term Debt Account Group. Accrued sick and vacation leave will be paid from future years' resources. No allowance is made for the immaterial 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 \$6,443,369 and the bank balance was \$5,714,114. Of the bank balance, \$100,000 was covered by federal depository insurance, \$5,614,114 was covered by collateral held 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 involving taxes paid under protest. The amount of taxes paid under protest at June 30, 1999 was \$130,857. 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, 1999</u>
Balance, beginning of year	\$ <u>4,777,383</u>
Additions	
Taxes and licenses collected	71,548,805
Interest	<u>93,874</u>
	<u>71,642,679</u>
Reductions	
Taxes paid - School Board	32,570,341
- Parish Council	12,104,281
- Drainage District	7,348,805
- Gonzales	5,405,056
- District No. 2	5,769,371
- Donaldsonville	1,408,932
- Hospital District	799,012
- Sorrento	282,073
- Occupational License	757,470
- Tax Free	34,121
- Operating Expenses	368,435
- Sheriff	<u>3,259,653</u>
	<u>70,107,550</u>
Balance, end of year	\$ <u>6,312,512</u>



ASCENSION PARISH SALES AND USE TAX AUTHORITY
Donaldsonville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

5. 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 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 amended by state statute. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRS. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (504) 925-6446.

Funding Policy. Plan members are required to contribute 8.0 percent, 9.1 percent, and 5.0 percent of their annual covered salary for the Regular Plan, Plan A, and Plan B, respectively. The Authority is required to contribute at an actuarially determined rate. The current rate is 16.5 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 Retirements Systems' Actuarial Committee. The Authority's employer contribution 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 Authority.

The Authority's contributions to the TRS for the years ended June 30, 1999, 1998, and 1997, were \$46,858, \$43,407, and \$36,327, respectively, which equals to the required contributions for each year.



OTHER SUPPLEMENTAL INFORMATION



ASCENSION PARISH SALES AND USE TAX AUTHORITY

Donaldsonville, Louisiana

Other Supplemental Information

Year 2000 Issues

The Year 2000 Issue consists of two shortcomings that make computer processing systems unable to read year-date data beyond the year 1999. The first shortcoming is many computer programs contain abbreviated dates which eliminate the first two digits of the year. Therefore, some computer programs may recognize January 1, 2000 as January 1, 1900 and process data incorrectly or stop processing altogether. The second shortcoming is some computers will be unable to detect the year 2000 is a leap year and may not register the additional day and data calculations may be incorrect.

The Authority has indicated that its hardware is Year 2000 compliant. The service center that maintains the software has given the Authority assurance that the software will be Year 2000 compliant.



OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS





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

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

We have audited the general purpose financial statements of the Ascension Parish Sales and Use Tax Authority as of and for the year ended June 30, 1999, and have issued our report thereon dated December 17, 1999, which was unqualified. 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 Ascension Parish Sales and Use Tax Authority's general purpose 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 no instances of noncompliance that are required under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ascension 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 general purpose 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 misstatement in amounts that would be material in relation to the general purpose 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 Ascension Parish Sales and Use Tax Authority, management, and others within the organization, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Postlethwaite & Netterville

December 17, 1999

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