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ASCENSION PARISH SALES AND USE TAX AUTHORITY

DONALDSONVILLE, LOUISIANA

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1998

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: FEB 20 1999



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LOUISIANA

ASCENSION PARISH SALES AND USE TAX AUTHORITY

MONROEVILLE, LOUISIANA

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1998



TABLE OF CONTENTS

	Page
Independent Auditor's Report	1
General purpose Financial Statements:	
Combined Balance Sheet - Fund Type and Account Groups	2
Notes to the Financial Statements	3 - 3
Other Reports Required by Government Auditing Standards	
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	8





Purdellwhite & Netterville

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying general purpose financial statements of the Acadian Parish Sales and Use Tax Authority as of and for the year ended June 30, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the Acadian 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.

Except as discussed in the following paragraph, 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.

Governmental Accounting Standards Board Technical Bulletin 98-1, Disclosures about Year 2000 Issues, requires disclosure of certain matters regarding the year 2000 issue. The Acadian Parish Sales and Use Tax Authority has included such disclosures in Note 6. Because of the unprecedented nature of the year 2000 issue, its effects and the success of remedial efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the Authority's disclosure with respect to the year 2000 issue made in Note 6. Further, we do not provide assurance that the Acadian Parish Sales and Use Tax Authority is or will be year 2000 ready, that the Authority's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Authority does business will be year 2000 ready.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, the general purpose financial statements reflected in above present fairly, in all material respects, the financial position of the Acadian Parish Sales and Use Tax Authority as of June 30, 1998, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated December 23, 1998 on our consideration of Acadian 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.

Purdellwhite & Netterville

Donaldsonville, Louisiana
December 22, 1998

ASCENSION PARISH SALES AND USE TAX AUTHORITY
COMBINED BALANCE SHEET - AGENCY FUND TYPE AND ACCOUNT GROUPS
JUNE 30, 1988

	Fiduciary		Totals	
	Fund Type	Account Groups		
	Agency Fund Type	General Fund Assets	General Long Term Debt	
			Minority Only	
ASSETS				
Cash	\$ 4,848,782	\$ -	\$ -	\$ 4,848,782
Furniture and equipment	-	80,716	-	80,716
Amount to be provided for compensated absences	-	-	4,489	4,489
Total Assets	\$ 4,848,782	\$ 80,716	\$ 4,489	\$ 4,925,887
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Provisioned tax payments	63,399	-	-	63,399
Due to taxing bodies	4,777,383	-	-	4,777,383
Compensated absences payable	-	-	4,489	4,489
Total Liabilities	4,848,782	-	4,489	4,848,762
FUND EQUITY				
Investment in general fund assets	-	80,716	-	80,716
Total Liabilities and Fund Equity	\$ 4,848,782	\$ 80,716	\$ 4,489	\$ 4,915,985

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



ASCENSION PARISH SALES AND USE TAX AUTHORITY
Terrebonneville, 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. At its 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:

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 in (State-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
Bonaparteville, 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 statements are captioned *Minority Items 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:

	June 30, 1998
Beginning balance	\$ 81,834
Additions	13,507
Deletions	<u>(14,830)</u>
Ending balance	\$ <u>80,511</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

I. Summary of Significant Accounting Policies (continued)

G. Participating Entities

As of June 30, 2008, 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 Iberville
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, unused accumulated sick leave of up to 45 days is paid to employees on their heels at the employee's current rate of pay. The accrual computation for current 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 90 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.

Accrued sick and vacation leave will be paid from future years' resources. No allowance is made for the incurrence of sick and vacation leave (deducted) when employees resign or retire.

3. Cash

At year end, the carrying amount of the Authority's deposits was \$4,840,782 and the bank balance was \$4,713,578. Of the bank balance, \$100,000 was covered by Federal depositary insurance, \$4,613,578 was covered by collateral held by the pledging bank's agent in the Authority's name.



ASCENSION PARISH SALES AND USE TAX AUTHORITY
Denhamville, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

3. Taxes Paid Under Protest/Litigation

The Authority has various suits against its protesting taxes paid under protest. The amount of taxes paid under protest at June 30, 1998 was \$63,399. 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:

	June 30, 1998
Balance, beginning of year	\$ 3,887,363
Additions	
Taxes and licenses collected	56,744,608
Interest	82,902
Other	—
	<u>56,827,510</u>
Reductions	
Taxes paid	
- School Board	27,182,908
- Parish Council	9,791,772
- Drainage District	5,672,908
- Cemeteries	5,038,894
- District No. 2	4,519,412
- Denhamville	1,340,998
- Hospital District	1,155,664
- Soudans	393,815
- Occupational Licenses	623,883
- Tax Free	98,377
- Operating Expenses	459,862
	<u>35,916,948</u>
Balance, end of year	\$ 4,771,385



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. Two 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 governed 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 54025, Baton Rouge, Louisiana 70804-9125, or by calling (504) 925-6444.

Funding Policy. Plan members are required to contribute 8.0 percent, 8.1 percent, and 5.8 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 35.4 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 Employees Systems' Actuarial Commission. 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 reimbursements from the Authority.

The Authority's contributions to the TRS for the years ended June 30, 1998, 1997, and 1996, were \$43,807, \$26,227, and \$26,591, respectively, equals to the required contributions for each year.

4. Year 2000 Issues

The Year 2000 issue consists of two shortcomings that make computer processing systems unable to 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 computer program presently used by the Authority is not Year 2000 compliant. The vendor that provides the software used by the Authority to process sales tax returns is working on a new operating system release to correct all year 2000 issues. The release should be in place by March 1999 for testing and validation. The total cost to the Authority for Year 2000 compliance has not been determined.



**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**





Posseltlowitz & Netterville

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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
Assessor Parish Sales and
Use Tax Authority
Donaldsonville, Louisiana

We have audited the general purpose financial statements of the Assessor Parish Sales and Use Tax Authority as of and for the year ended June 30, 1998, and have issued our report thereon dated December 23, 1998, which was qualified because insufficient audit evidence exists to support Assessor Parish Sales and Use Tax Authority's disclosures with respect to the Year 2000 issue. Except as discussed in the preceding sentence, 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 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 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 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 one matter involving the internal control over financial reporting and its operation that we consider to be a material weakness.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Posseltlowitz & Netterville

Donaldsonville, Louisiana
December 23, 1998