
**ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2019**

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Ascension Parish Sales and Use Tax Authority (Authority), Gonzales, Louisiana, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority'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.

Auditors' Responsibility

Our responsibility is to express opinions on these 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. Those standards require that we 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Authority, as of June 30, 2019, 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 the budgetary comparison schedule on pages 3 to 6 and 21, respectively 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. We 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 our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

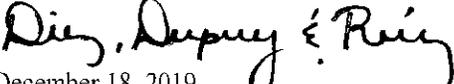
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to the Agency Head on page 22 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation, Benefits and Other Payments to the Agency Head is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits and Other Payments to the Agency Head is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 18, 2019, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's 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 the Authority's internal control over financial reporting and compliance.


December 18, 2019
Gonzales, Louisiana

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

The Management's Discussion and Analysis of the Ascension Parish Sales and Use Tax Authority's financial performance presents a narrative overview and analysis of Ascension Parish Sales and Use Tax Authority's financial activities for the year ended June 30, 2019. This document focuses on the current year's activities resulting changes, and currently known facts. Please read this document in conjunction with the Ascension Parish Sales and Use Tax Authority's financial statements, which begin on page 7.

FINANCIAL HIGHLIGHTS

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Authority as a whole and present a long-term view of the Authority's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending.

- The Authority's net position decreased \$40,112.
- The General fund reported no change in fund balance.
- Total revenues in the general fund increased by \$205,541 and total expenditures in the general fund increased by \$205,541. This is primarily due to increases in professional fees and services. Changes in personnel and other operating expenses were incurred as a result of the fluctuation of activity of the Authority.
- The Authority collected a total of \$165 million in taxes, license, and occupancy, which represents a \$13 million increase from the previous year.
- Sales tax collections increased compared to prior year because of the economic conditions the Parish experienced from the 2016 flood impact. 2019 fiscal year collections increased back to normal levels due to recovery of business and construction activity.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for the Ascension Parish Sales and Use Tax Authority as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments

Management Discussion and Analysis
Basic Financial Statements
Required Supplementary Information (Other than MD&A)
Other Supplementary Information

These financial statements consist of four sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), required supplementary information, and other supplementary information.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

Basic Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 7 and 8) provide information about the activities of the Ascension Parish Sales and Use Tax Authority as a whole and present a long-term view of the Authority's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is 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.

The Statement of Net Position and the Statement of Activities report the Authority's net position and changes in them. One can think of the Authority's net position, the difference between assets and liabilities, as one way to measure the Authority's financial health, or financial position. Over time, increases or decreases in the Authority's net position is an indicator of whether its financial health is improving or deteriorating.

Fund financial statements start on page 9. The Authority's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Authority's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Authority's activities as well as what remains for future spending.

The Fiduciary Fund financial statement is presented on page 13. Fiduciary funds report assets held for others and a corresponding liability due to those parties. The taxes collected by the Authority flow through this fund.

FINANCIAL ANALYSIS OF THE ENTITY

	Statement of Net Position	
	2019	2018
Capital assets, net	\$ 108,507	\$ 116,156
Due from other governments	5,000	1,050
Total Assets	\$ 113,507	\$ 117,206
Current liabilities	\$ 5,000	\$ 1,050
Noncurrent liabilities	69,248	36,785
Total Liabilities	74,248	37,835
Net position		
Net Investment in capital assets	108,507	116,156
Unrestricted (deficit)	(69,248)	(36,785)
Total Net Position	39,259	79,371
Total Liabilities and Net Position	\$ 113,507	\$ 117,206

Net position of the Ascension Parish Sales and Use Tax Authority decreased by \$40,112 or 51% from the previous fiscal year. The decrease is the result of increase in compensated absences payable during the fiscal year ended 2019.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

Statement of Activities

	2019	2018
General revenues		
Intergovernmental	\$ 1,528,889	\$ 1,323,348
Total revenue	1,528,889	1,323,348
Expenses	1,569,001	1,329,413
Change in net position	\$ (40,112)	\$ (6,065)

The Ascension Parish Sales and Use Tax Authority's total revenues increased by \$205,541 or 16% from the previous year. The total cost of all programs and services increased by \$239,588 or 18% from the previous year.

Noncurrent Liabilities

The Ascension Parish Sales and Use Tax Authority's only long-term debt consists of its compensated absences payable. The Authority had \$69,248 in compensated absences payable at year end compared to \$36,785 at the previous year end, an increase of \$32,463 or 89%.

Capital Assets

At the end of 2019, the Authority had invested, net of accumulated depreciation, \$108,507 in equipment, furniture, and fixtures. (See Table below)

	Governmental Activities
Equipment, furniture, and fixtures	\$ 298,179
Less: Accumulated depreciation	(189,672)
Total	\$ 108,507

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

There were no amendments to the Authority's budget during the year.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Ascension Parish Sales and Use Tax Authority's Board Members considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

1. Intergovernmental revenues (based on personnel and operating expenses)

The Ascension Parish Sales and Use Tax Authority does not expect any significant changes in next year's results as compared to the current year.

CONTACTING THE ASCENSION PARISH SALES AND USE TAX AUTHORITY'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Ascension Parish Sales and Use Tax Authority's finances and to show the Ascension Parish Sales and Use Tax Authority's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the Ascension Parish Sales and Use Tax Authority, Attention: Kressy Krennerich, Administrator, at Post Office Box 1718, Gonzales, Louisiana 70707.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA

STATEMENT OF NET POSITION
JUNE 30, 2019

ASSETS

Capital assets, net	\$ 108,507
Due from other governments	5,000
	<hr/>
Total Assets	113,507

LIABILITIES

Current liabilities:	
Accounts payable	5,000
	<hr/>
Noncurrent liabilities:	
Compensated absences payable	69,248
	<hr/>
Total Liabilities	74,248

NET POSITION

Net investment in capital assets	108,507
Unrestricted (deficit)	(69,248)
	<hr/>
Total Net position	\$ 39,259

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

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Net Expense and changes in Net Position</u>
<u>Functions/Programs</u>			
Governmental activities			
General government	\$ 1,569,001	\$ -	\$ 1,569,001
	<hr/>	<hr/>	<hr/>
Total governmental activities	<u>\$ 1,569,001</u>	<u>\$ -</u>	<u>1,569,001</u>
General Revenues:			
Intergovernmental			<u>1,528,889</u>
Total general revenues			<u>1,528,889</u>
Change in net position			(40,112)
Net position, beginning of year			<u>79,371</u>
Net position, end of year			<u>\$ 39,259</u>

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

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA

BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2019

ASSETS

Due from other governments	\$ 5,000
	<hr/>
Total Assets	\$ 5,000
	<hr/> <hr/>

LIABILITIES

Accounts payable	\$ 5,000
	<hr/>
Total Liabilities	5,000
	<hr/>

FUND BALANCE

Unassigned	-
	<hr/>
Total Fund Balance	-
	<hr/>
Total Liabilities and Fund Balances	\$ 5,000
	<hr/> <hr/>

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

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Total fund balance - Governmental Fund	\$	-
Amounts reported for governmental activities in the statement of net position are different because:		
Cost of capital assets		298,179
Less: accumulated depreciation		(189,672)
Long-term liabilities, including compensated absences payable, are not due and payable in the current period and therefore are not reported in the fund liabilities		<u>(69,248)</u>
Total net position - Governmental Activities	\$	<u><u>39,259</u></u>

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

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

REVENUES

Intergovernmental	\$ 1,528,889
Total revenues	<u>1,528,889</u>

EXPENDITURES

General Government:	
Personnel	974,538
Travel	39,474
Operating services	188,891
Supplies	51,551
Professional services	224,677
Capital outlay	49,758
Total expenditures	<u>1,528,889</u>

EXCESS (DEFICIENCY) OF REVENUES
OVER EXPENDITURES

	-
Fund balance - beginning of year	<u>-</u>
Fund balance - end of year	<u><u>\$ -</u></u>

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

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE OF
GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Net change in fund balance - governmental fund	\$ -
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlay capitalized	49,758
Depreciation expense	(49,098)
Loss on disposed assets	(8,309)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund.	<u>(32,463)</u>
Change in Net Position - Governmental Activities	<u>\$ (40,112)</u>

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

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2019

ASSETS

Cash and cash equivalents	\$ 15,199,529
Total Assets	<u>\$ 15,199,529</u>

LIABILITIES

Taxes paid under protest	\$ 347,335
Due to other governments	<u>14,852,194</u>
Total Liabilities	<u>\$ 15,199,529</u>

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

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided in Article VII, Section 3 of the Louisiana Constitution of 1974, the Ascension Parish Sales and Use Tax Authority (Authority) serves as the collector of sales and use taxes for the parish. The Authority was created October 5, 1989 for the purpose of collecting, administering and distributing the various sales and use taxes levied by entities and the hotel/motel tax within Ascension Parish, and the occupational license 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 members from the Authority, Ascension Parish Council, Ascension Parish School Board, the Ascension Parish Sheriff, the City of Gonzales, the City of Donaldsonville, and the West Ascension Parish Hospital Service District. The accounting and reporting policies of the Authority conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Basis of Presentation, Basis of Accounting

Government-wide Statements:

The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government, except for fiduciary activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Authority's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees for the collection of taxes. Revenues that are not associated as program revenues, including interest revenue presented as general revenues.

Fund Financial Statements:

The fund financial statements provide information about the Authority's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major funds. For the Authority, there is only one major fund, the General Fund. The General Fund is the Authority's primary operating fund. It accounts for all finance resources of the general government, except those accounted for in another fund.

Government-wide 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 at the time liabilities are incurred regardless of when the related cash flows take place. Non-exchange transactions, in which the Authority gives (or receives) value without directly receiving (or giving) equal value in exchange may include grants and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Exchange transactions in which the Authority gives or receives value in exchange for services rendered consist of the charges for collection services which are recognized when the services are provided and the revenue is earned.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation, Basis of Accounting (continued)

Governmental Fund Financial Statements:

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Authority considers all revenues reported in the governmental fund to be available if the revenues are collected within sixty days after year-end. Interest is considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental fund.

Fiduciary Fund Financial Statements:

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. Agency funds are accounted for on the full accrual basis of accounting. Collections of sales taxes are recognized when received and expenditures are recognized when the related fund liability is incurred, regardless of when the related cash flow takes place.

Budgetary Accounting

Formal budgetary accounting is employed as a management control. The Ascension Parish Sales and Use Tax Authority prepares and adopts a budget prior to July 1 of each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the modified accrual basis of accounting. The Authority amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Capital Assets

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Ascension Parish Sales and Use Tax Authority is charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Position. Depreciation is computed using the straight-line method over the estimated useful life of the assets, generally 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized. The Authority maintains a threshold level of \$500 or more for capitalizing capital assets.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

Employees accrue from 10 to 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 employee's current rate of pay. The accrual computation for earned sick leave is calculated on a 45-day maximum per employee. Sick leave is not payable upon discharge or termination. Upon retirement, unpaid accumulated sick leave is used in the retirement benefit computation as earned service.

All 12-month employees earn from 10 to 20 days of annual vacation leave per year depending on length of service with the School Board. Vacation time does not vest.

Sick and vacation leave that has been claimed by employees as of the end of the fiscal year is recorded as an expense 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. Accrued sick and vacation leave will be paid from future years' resources. No allowance is made for the immaterial amounts of sick leave forfeited when employees resign or retire.

Restricted Net Position

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position use either:

- Net investment in capital assets – consists of historical costs of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net position – consists of assets that are restricted by the Authority's grantors (both federal and state).
- Unrestricted – all other net position is reported in this category.

Fund Equity of Fund Financial Statements

Accounting standards require the governmental fund balance to be reported in as many as five classifications as listed below:

1. Nonspendable - represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally contractually required to be maintained intact.
2. Restricted - represents balances where constraints have been established by parties outside the Authority or imposed by law through constitutional provisions or enabling legislation.
3. Committed - represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Authority's highest level of decision-making authority.
4. Assigned - represents balances that are constrained by the Authority's intent to be used for specific purposes, but are not restricted nor committed.
5. Unassigned – represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Fund Equity of Fund Financial Statements (continued)

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Authority reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for the purposes for which committed, assigned, and unassigned amounts are available, the Authority reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Intergovernmental agreement

The Authority has an intergovernmental agreement with the Taxing Authorities within Ascension Parish for the purpose of administering and distributing sales and use taxes levied by the participating entities. The agreement provides that the School Board employs the Administrator and all other employees of the Authority. The Authority's employees are subject to the School Board's employment policies and procedures. The School Board pays all expenditures of the Authority. However, the agreement states that the costs of operating, maintaining, and administering the Authority shall be borne jointly by the participating entities on a prorated basis on a ratio of the entity's taxes collected to total taxes collected.

2. **DEPOSITS WITH FINANCIAL INSTITUTIONS**

Deposits with Financial Institutions

Cash and cash equivalents include demand deposits at local financial institutions with a carrying value of \$15,199,529 at June 30, 2019. Deposits in financial institutions can be exposed to custodial credit risk. Custodial credit risk is the risk that in the event of a financial institution failure, the Authority's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance and/or the pledge of securities owned by the fiscal agent financial institution. As of June 30, 2019, the Authority's bank balance was fully collateralized or FDIC insured and therefore not exposed to custodial credit risk.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

3. CAPITAL ASSETS

A summary of the Ascension Parish Sales and Use Tax Authority's capital assets at June 30, 2019 follows:

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2019</u>
Capital Assets				
Furniture, fixtures and equipment	\$ 352,845	\$ 49,758	\$ 104,424	\$ 298,179
Less accumulated depreciation	<u>(236,689)</u>	<u>(49,098)</u>	<u>(96,115)</u>	<u>(189,672)</u>
Total Capital Assets, net	<u>\$ 116,156</u>	<u>\$ 660</u>	<u>\$ 8,309</u>	<u>\$ 108,507</u>

4. ACCOUNTS PAYABLE

Accounts payable at June 30, 2019, includes vendor liabilities of \$5,000.

5. COMPENSATED ABSENCES

At June 30, 2019, employees of the Ascension Parish Sales and Use Tax Authority had accumulated \$69,248 in annual leave benefits. The following is a summary of the changes in accumulated annual leave benefits for the year ended June 30, 2019:

Compensated absences payable, beginning of year	\$ 36,785
Additions	32,463
Deletions	<u>-</u>
Compensated absences payable, end of year	<u>\$ 69,248</u>

6. TAXES PAID UNDER PROTEST

Louisiana Revised Statute 47:1576 provides that taxpayers, at the time of payment of all taxes due, may give notice to the tax collector of their intention to file suit for recovery of all or a portion of the total taxes paid upon receipt of a notice, the amount paid shall be segregated and held by the Authority for a period of thirty days. If a suit is filed within 30 days, the segregated funds shall be held pending the outcome of the suit. If the taxpayer prevails, the Authority shall refund the amount due with interest from the date the funds were received by the Authority. There was \$347,335 in sales taxes paid under protest as of June 30, 2019. These amounts are held and reported in the Authority's agency fund.

7. OPERATING LEASE COMMITMENTS

The Authority leases office space as a tenant under a nonrenewable operating lease on a month to month basis. As of June 30, 2019, the total lease payments were \$46,800.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

8. LITIGATION

The Ascension Parish Sales and Use Tax Authority is involved in litigation as a defendant in numerous lawsuits and claims at June 30, 2019. In the opinion of the Authority's management and legal counsel, it is difficult to predict the outcome of these claims. As such, no liability has been recorded.

9. CHANGES IN FIDUCIARY FUND DUE TO OTHER GOVERNMENTS

The following is the changes in unsettled deposits for the year ended June 30, 2019.

Unsettled balances at July 1, 2018	\$ 13,251,317
ADDITIONS	
Taxes and licenses, net refunds	164,811,570
Interest	53,839
Total additions	<u>164,865,409</u>
DELETIONS	
School Board	71,046,736
Parish Council	25,937,293
Drainage District	15,958,952
Gonzales	15,811,567
District No. 2	12,648,299
Sheriff	12,648,300
Donaldsonville	2,845,513
Hospital District	1,404,550
Sorrento	635,447
Tanger Mall DD	1,057,504
Conway Economic DD	24,667
Occupational License	2,397,398
Occupancy Hotel	88,384
Occupancy Tax	670,699
Tax Free	89,223
Total deletions	<u>163,264,532</u>
Unsettled balance at June 30, 2019	<u>\$ 14,852,194</u>

The Authority distributes all sales and use taxes and interest collected each month to the respective entities less any taxes paid under protest which are put in escrow accounts (see note 6).

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

10. COLLECTIONS ON BEHALF OF OTHER TAXING AUTHORITIES

The following are the total collections, collection costs, and final distributions for the year ended June 30, 2019.

	Total Collections	Collection Costs	Final Distribution
School Board (2%)	\$ 71,623,645	\$ 576,909	\$ 71,046,736
Parish Council (1%)	26,174,092	236,799	25,937,293
Drainage District (0.5%)	16,089,584	130,632	15,958,952
City of Gonzales (2%)	15,904,412	92,845	15,811,567
District No. 2 (0.5%)	12,764,859	116,560	12,648,299
Sheriff (0.5%)	12,764,860	116,560	12,648,300
City of Donaldsonville (2%)	2,861,856	16,343	2,845,513
Hospital District (0.5%)	1,418,055	13,505	1,404,550
Sorrento (2%)	639,083	3,636	635,447
Tanger Mall DD (1%)	1,063,314	5,810	1,057,504
Conway EDD (1%)	26,184	1,517	24,667
Occupancy Tourism (2%)	675,875	5,176	670,699
Occupancy Gonzales (2%)	90,906	2,522	88,384
OLT	2,466,852	69,454	2,397,398
Tax Free	89,223	-	89,223
	<u>\$ 164,652,800</u>	<u>\$ 1,388,268</u>	<u>\$ 163,264,532</u>

The Authority distributes all taxes and licenses and interest collected each month to the respective entities less any funds paid under protest which are put in escrow accounts (see note 6).

11. SUBSEQUENT EVENTS

The Ascension Parish Sales and Use Tax Authority has evaluated subsequent events through the date that the financial statements were available to be issued, December 18, 2019, and determined that no events have occurred that would require additional disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA

BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<u>REVENUES</u>				
Intergovernmental	\$ 1,526,349	\$ 1,526,349	\$ 1,528,889	\$ 2,540
Total Revenues	<u>1,526,349</u>	<u>1,526,349</u>	<u>1,528,889</u>	<u>2,540</u>
<u>EXPENDITURES</u>				
General Government:				
Personnel	1,032,324	1,032,324	974,538	57,786
Travel	36,000	36,000	39,474	(3,474)
Operating services	198,825	198,825	188,891	9,934
Supplies	22,000	22,000	51,551	(29,551)
Professional services	210,000	210,000	224,677	(14,677)
Capital outlay	27,200	27,200	49,758	(22,558)
Total Expenditures	<u>1,526,349</u>	<u>1,526,349</u>	<u>1,528,889</u>	<u>(2,540)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>OVER EXPENDITURES</u>				
	-	-	-	-
<u>FUND BALANCE</u>				
Beginning of year	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTHER SUPPLEMENTARY INFORMATION

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO THE AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2019

Agency Head: Kressynda Krennerich

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 95,571
Retirement	25,389
Benefits-insurance	10,537
Travel	881
Registration fees	1,335
Conference travel	4,780
	<u>\$ 138,493</u>

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*



**INDEPENDENT AUDITORS' 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 Directors
Ascension Parish Sales and Use Tax Authority
Gonzales, Louisiana

We 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, the major fund, and the aggregate remaining fund information of the Ascension Parish Sales and Use Tax Authority (Authority), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 18, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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.

Our 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we 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 Authority's financial statements are free of material misstatement, we 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 our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.


Gonzales, Louisiana
December 18, 2019

ASCENSION PARISH SALES AND USE TAX AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2019

SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expressed an unmodified opinion on whether the financial statements of the Ascension Parish Sales and Use Tax Authority (the Authority) were prepared in accordance with GAAP.
2. No significant deficiencies related to the audit of the financial statements were reported in the Independent Auditors' 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*.
3. No instances of noncompliance material to the financial statements of the Authority which is required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit.

FINDINGS-FINANCIAL STATEMENT AUDIT

None noted.

FINDINGS – COMPLIANCE WITH STATE LAWS AND REGULATIONS

None noted.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2019

FINDINGS – FINANCIAL STATEMENT AUDIT

None noted.

FINDINGS – COMPLIANCE WITH STATE LAWS AND REGULATIONS

2018-001 Louisiana Budget Law

Condition: The Authority's General Fund had unfavorable variances of 7.11% of total actual revenues to total budgeted revenues.

Current Year Status: Finding was resolved in the current year.

ASCENSION PARISH SALES & USE TAX AUTHORITY

GONZALES, LOUISIANA

STATEWIDE AGREED UPON PROCEDURES

JUNE 30, 2019



**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors, and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Ascension Parish Sales & Use Tax Authority (the Authority) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Authority's management is responsible for those C/C areas identified in the SAUPs. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget

Written policies and procedures were obtained and address the functions noted above.

b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Written policies and procedures were obtained and address the functions noted above.

c) ***Disbursements***, including processing, reviewing, and approving

Written policies and procedures were obtained and address the functions noted above.

d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Written policies and procedures were obtained and address the functions noted above.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

There are no written policies and procedures noted, as the Ascension Parish School Board employs all employees of the Authority. The Authority's employees are subject to the School Board's employment policies and procedures.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

Written policies and procedures were obtained and address the functions noted above except for the types of services requiring written contract, standard terms, legal review, and monitoring.

Management's response: The policy will be change to include these exceptions.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

Written policies and procedures were obtained and address the functions noted above.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

Written policies and procedures were obtained and address the functions noted above.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Written policies and procedures were obtained and address the functions noted above.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

There are no written policies and procedures, as the Authority does not have any debt.

- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Written policies and procedures were obtained and address the functions noted above except for the use of antivirus software on all systems, timely application of all available system and software patches/updates, periodic testing/verification that backups can be restored, and identification of personnel, processes, and tools needed to recover operations after a critical event..

Management's response: The policy will be changed to include these exceptions.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions noted.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

No exceptions noted.

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

No exceptions noted.

Collections

3. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Obtained listing of deposit sites and management's representation that the listing is complete.

4. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Obtained listing of collection locations and management's representation that the listing is complete.

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

No exceptions noted.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

No exceptions noted.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

No exceptions noted.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

No exceptions noted.

- 5. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

No exceptions noted.

- 6. Randomly select two deposit dates for the 1 bank account (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 2 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

No exceptions noted.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions noted.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions noted.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

No exceptions noted.

- e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted.

This report is intended solely for the information and use of the Board of Directors and the Louisiana Legislative Auditor, and is not intended to be, and should not be, used by anyone other than the specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



Gonzales, Louisiana
December 18, 2019