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

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2018**

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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, 2018, 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.

Opinion

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, 2018, 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 information 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.

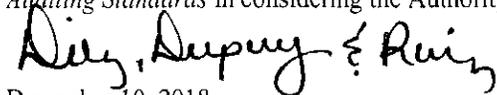
Other Information

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 10, 2018, 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 10, 2018
Gonzales, Louisiana

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

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, 2018. 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 \$6,065.
- The General fund reported no change in fund balance.
- Total revenues in the general fund decreased \$14,529 and total expenditures in the general fund decreased \$14,529. This is primarily due to a decrease in capital outlay. Changes in personnel and operating expenses were incurred as a result of the fluctuation of activity of the Authority.
- The Authority's collections decreased over the previous fiscal year by approximately \$14 million or 8.5%.
- Sales tax collections decreased compared to prior year because of changes in economic conditions the Parish experienced in the retail and Petro chemical industries. A major expansion and construction project in the Petro chemical industry concluded during the 2017 fiscal year.

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 Supplemental 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 supplemental information.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

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		
	2018	2017
Capital assets, net	\$ 116,156	\$ 127,167
Due from other governments	1,050	5,523
Total Assets	\$ 117,206	\$ 132,690
Accounts payable	\$ 1,050	\$ 5,523
Compensated absences payable	36,785	41,731
Total Liabilities	37,835	47,254
Net position		
Net Investment in capital assets	116,156	127,167
Unrestricted (deficit)	(36,785)	(41,731)
Total Net Position	79,371	85,436
Total Liabilities and Net Position	\$ 117,206	\$ 132,690

Net position of the Ascension Parish Sales and Use Tax Authority decreased by \$6,065 or 7% from the previous fiscal year. The decrease is the result of decrease in capital assets purchased and decrease in compensated absences payable during the fiscal year ended 2018.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

Statement of Activities

	<u>2018</u>	<u>2017</u>
General revenues		
Intergovernmental	\$ 1,323,348	\$ 1,337,877
Total revenue	<u>1,323,348</u>	<u>1,337,877</u>
Expenses	<u>1,329,413</u>	<u>1,313,603</u>
Change in net position	<u>\$ (6,065)</u>	<u>\$ 24,274</u>

The Ascension Parish Sales and Use Tax Authority's total revenues decreased by \$14,529 or 1% from the previous year. The total cost of all programs and services increased by \$15,810 or 1% from the previous year.

Long-Term Debt

The Ascension Parish Sales and Use Tax Authority's only long-term debt consists of its compensated absence liabilities. The Authority had \$36,785 in compensated absences payable at year end compared to \$41,731 at the previous year end, a decrease of \$4,946 or 12%.

Capital Assets

At the end of 2018, the Authority had invested, net of accumulated depreciation, \$116,156 in equipment, furniture, and fixtures. (See Table below)

	<u>Governmental Activities</u>	
Equipment, furniture, and fixtures	\$	352,845
Less: Accumulated depreciation		<u>(236,689)</u>
Total	\$	<u>116,156</u>

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, 2018

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 Krenmerich, Administrator, at Post Office Box 1718, Gonzales, Louisiana 70707.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA

STATEMENT OF NET POSITION
JUNE 30, 2018

ASSETS

Capital assets, net	\$ 116,156
Due from other governments	1,050
	<hr/>
Total Assets	117,206

LIABILITIES

Accounts payable	1,050
Compensated absences payable	36,785
	<hr/>
Total Liabilities	37,835

NET POSITION

Net investment in capital assets	116,156
Unrestricted (deficit)	(36,785)
	<hr/>
Total Net position	\$ 79,371

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, 2018

	<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	\$ 1,329,413	\$ -	\$ 1,329,413
Total governmental activities	<u>\$ 1,329,413</u>	<u>\$ -</u>	<u>1,329,413</u>
General Revenues:			
Intergovernmental			<u>1,323,348</u>
Total general revenues			<u>1,323,348</u>
Change in net position			(6,065)
Net position, beginning of year			<u>85,436</u>
Net position, end of year			<u>\$ 79,371</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, 2018

ASSETS

Due from other governments \$ 1,050

Total Assets \$ 1,050

LIABILITIES

Accounts payable \$ 1,050

Total Liabilities 1,050

FUND BALANCE

Unassigned -

Total Fund Balance -

Total Liabilities and Fund Balances \$ 1,050

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, 2018

Total fund balance - Governmental Fund	\$	-
Amounts reported for governmental activities in the statement of net position are different because:		
Cost of capital assets		352,845
Less: accumulated depreciation		(236,689)
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>(36,785)</u>
Total net position - Governmental Activities	\$	<u>79,371</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, 2018

REVENUES

Intergovernmental	\$ 1,323,348
Total revenues	<u>1,323,348</u>

EXPENDITURES

General Government:	
Personnel	896,934
Travel	30,827
Operating services	187,911
Supplies	40,590
Professional services	132,276
Capital outlay	34,810
Total expenditures	<u>1,323,348</u>

EXCESS (DEFICIENCY) OF REVENUES
OVER EXPENDITURES

Fund balance - beginning of year	<u>-</u>
Fund balance - end of year	<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, 2018

Net change in fund balance - governmental fund	\$ -
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlay capitalized	34,810
Depreciation expense	(45,821)
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>4,946</u>
Change in Net Position - Governmental Activities	<u><u>\$ (6,065)</u></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, 2018

ASSETS

Cash and cash equivalents	\$ 18,366,410
Total Assets	<u>\$ 18,366,410</u>

LIABILITIES

Taxes paid under protest	\$ 5,115,093
Due to other governments	<u>13,251,317</u>
Total Liabilities	<u>\$ 18,366,410</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, 2018

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, 2018

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.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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 investments 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, 2018

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 entities 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 \$18,366,410 at June 30, 2018. 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, 2018, 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, 2018

3. CAPITAL ASSETS

A summary of the Ascension Parish Sales and Use Tax Authority's capital assets at June 30, 2018 follows:

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2018</u>
Capital Assets				
Furniture, fixtures and equipment	\$ 318,035	\$ 34,810	\$ -	\$ 352,845
Less accumulated depreciation	190,868	(45,821)	-	236,689
Total Capital Assets, net	<u>\$ 127,167</u>	<u>\$ (11,011)</u>	<u>\$ -</u>	<u>\$ 116,156</u>

4. ACCOUNTS PAYABLE

Accounts payable at June 30, 2018, includes vendor liabilities of \$1,050.

5. COMPENSATED ABSENCES

At June 30, 2018, employees of the Ascension Parish Sales and Use Tax Authority had accumulated \$36,785 in annual leave benefits. The following is a summary of the changes in accumulated annual leave benefits for the year ended June 30, 2018:

Compensated absences payable, beginning of year	\$ 41,731
Additions	17,824
Deletions	<u>(22,770)</u>
Compensated absences payable, end of year	<u>\$ 36,785</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 \$5,115,093 in sales taxes paid under protest as of June 30, 2018. These amounts are held and reported in the Authority's agency fund.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

7. OPERATING LEASE COMMITMENTS

The Authority leases office space as a tenant under a noncancelable operating lease with five-year lease terms, commencing on August 1, 2014 and expiring on July 31, 2019. The following is a schedule by years of future minimum rentals under the lease at June 30, 2018:

<u>Year ending June 30:</u>	
2019	46,800
Total	<u>\$ 46,800</u>

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, 2018. 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, 2018.

Unsettled balances at July 1, 2017	\$ 12,961,717
COLLECTIONS	
Taxes and licenses, net refunds	151,166,812
Interest	36,180
Total collections	<u>151,202,992</u>
DISTRIBUTIONS	
School Board	65,598,763
Parish Council	23,603,620
Drainage District	14,818,636
Gonzales	15,250,589
District No. 2	11,473,932
Sheriff	11,433,933
Donaldsonville	2,841,998
Hospital District	1,237,500
Sorrento	659,939
Tanger Mall DD	1,047,265
Occupational License	2,315,314
Occupancy Tax	551,786
Tax Free	80,117
Total distributions	<u>150,913,392</u>
Unsettled balance at June 30, 2018	<u>\$ 13,251,317</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, 2018

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, 2018.

	<u>Total Collections</u>	<u>Collection Costs</u>	<u>Final Distribution</u>
School Board (2%)	\$ 66,099,749	\$ 500,986	\$ 65,598,763
Parish Council (1%)	23,794,896	191,276	23,603,620
Drainage District (0.5%)	14,936,352	117,716	14,818,636
City of Gonzales (2%)	15,357,004	106,415	15,250,589
District No. 2 (0.5%)	11,567,673	93,741	11,473,932
Sheriff (0.5%)	11,527,674	93,741	11,433,933
City of Donaldsonville (2%)	2,860,239	18,241	2,841,998
Hospital District (0.5%)	1,244,961	7,461	1,237,500
Sorrento (2%)	663,865	3,926	659,939
Tanger Mall DD (1%)	1,053,259	5,994	1,047,265
Occupancy Tax (2%)	555,035	3,249	551,786
OLT	2,365,442	50,128	2,315,314
Tax Free	80,117	-	80,117
	<u>\$ 152,106,266</u>	<u>\$ 1,192,874</u>	<u>\$ 150,913,392</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 10, 2018, 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

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
OF GOVERNMENTAL FUND - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
<u>REVENUES</u>				
Intergovernmental	\$ 1,424,674	\$ 1,424,674	\$ 1,323,348	\$ (101,326)
Total Revenues	1,424,674	1,424,674	1,323,348	(101,326)
<u>EXPENDITURES</u>				
General Government:				
Personnel	912,577	912,577	896,934	15,643
Travel	39,500	39,500	30,827	8,673
Operating services	189,425	189,425	187,911	1,514
Supplies	45,972	45,972	40,590	5,382
Professional services	210,000	210,000	132,276	77,724
Capital outlay	27,200	27,200	34,810	(7,610)
Total Expenditures	1,424,674	1,424,674	1,323,348	101,326
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>OVER EXPENDITURES</u>				
	-	-	-	-
<u>FUND BALANCE</u>				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

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, 2018

Agency Head: Kressynda Krennerich

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 91,876
Retirement	12,178
Benefits-insurance	10,379
Travel	782
Registration fees	1,190
Conference travel	3,490
	<u>\$ 119,895</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, 2018, 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 10, 2018.

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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and responses as item 2018-001.

Ascension Parish Sales and Use Tax Authority's Response to Findings

The Authority's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 10, 2018

ASCENSION PARISH SALES AND USE TAX AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2018

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 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. One instance 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

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.

Criteria: Louisiana Revised Statute 39:1311(A) (1-2) requires that the budget shall be amended when total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more and total actual expenditures and other uses plus projected expenditures and other sources for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.

Cause: The budget was not properly amended at year-end which resulted in a budget violation.

Effect: The unfavorable variances of revenues of more than five percent is a violation of Louisiana Revised Statute 39:1311(A) (1-2).

Recommendation: The Authority should evaluate the budget for the General Fund throughout the fiscal year and amend the budget when necessary in a timely fashion.

Management's corrective action plan: Management of the Authority concurs and will monitor the budget more closely throughout the year to ensure the budget is amended appropriately as necessary.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2018

FINDINGS – FINANCIAL STATEMENT AUDIT

None

FINDINGS - COMPLIANCE

2017-001 Louisiana Budget Law

Condition: The Authority's General Fund had unfavorable variances of 8.15% of total actual expenditures to total budgeted expenditures. In addition, the Authority did not publish a notice stating that the proposed budget was available for public participation.

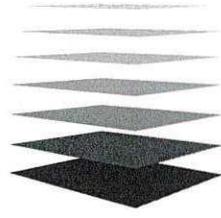
Current Year Status: A similar finding for unfavorable variances is noted in the current year.

ASCENSION PARISH SALES & USE TAX AUTHORITY

GONZALES, LOUISIANA

STATEWIDE AGREED UPON PROCEDURES

JUNE 30, 2018



DDR

DIEZ, DUPUY & RUIZ, LLC

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, 2017 through June 30, 2018. The Authority's management is responsible for those C/C areas identified in the SAUPs.

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*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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 functions noted above except for how purchases are initiated and approval process of purchases.

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

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

Written policies and procedures were obtained and address the functions noted above except for how disbursements are processed, reviewed, and approved.

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

- 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 except for management's actions to determine the completeness for each type of revenue or agency fund addition.

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

- 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 except for required approvers of statements.

Management's response: The policy will be changed to include this exception.

- 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.

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 and ethics policies and procedures.

- 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.

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.

Obtained and reviewed minutes of the managing board for the fiscal period noting that the board met monthly with a quorum seven out of the twelve months.

- 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.

Obtained and reviewed minutes of the managing board for the fiscal period noting that the minutes did not include monthly budget-to-actual comparisons for the major fund.

Management's response: The Board receives a monthly financial packet that includes a monthly operating plan showing actual and budget expenditures for the month and year to date comparisons. This report will be referenced in the minutes going forward.

- 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.

The general fund reported a positive unrestricted fund balance in prior fiscal year audit report.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

Obtained listing of client bank accounts from management and management's representation that listing is complete.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Obtained bank reconciliations for the month selected noting that reconciliations have been prepared within 2 months of the related statement closing date.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

The bank reconciliations included evidence that a member of management, who does not handle cash, post ledgers, or issue checks, has reviewed each bank reconciliation.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Obtained bank statements and reconciliations for the month selected noting there were not any outstanding items for more than 12 months from the statement closing date.

Collections

4. 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 listing is complete.

5. 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 listing is complete.

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

Employees responsible for cash collections also share cash drawers/registers.

Management's response: Efforts will be made to segregate duties in the collection process to the extent possible with the limited number of employees involved.

- 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.

Employee responsible for collecting cash is also responsible for preparing/making bank deposit.

Management's response: Efforts will be made to segregate duties in the collection process to the extent possible with the limited number of employees involved.

- 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.

Employee responsible for collecting cash is also responsible for posting collection entries to the general ledger or subsidiary ledgers.

Management's response: Efforts will be made to segregate duties in the collection process to the extent possible with the limited number of employees involved.

- 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.

Employee responsible for collecting cash is also responsible for reconciling cash collections to the general ledger by revenue source.

Management's response: Efforts will be made to segregate duties in the collection process to the extent possible with the limited number of employees involved.

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

No exceptions noted.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (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 10 deposits and:

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

Sequentially numbered related collection documentation were used without exception.

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

Collection documentation and deposit slip supported the cash collections without exception.

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

Deposit slips agree to the actual deposit per the bank statement without exception.

- 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).

Deposits were made without exception.

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

Deposits per bank statement agree to the general ledger without exception.

Non-Payroll Disbursements (excluding card purchase/payments, travel reimbursements, and petty cash purchases)

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Obtained a listing of locations that process payments and management's representation that the listing is complete.

- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

We were unable to observe the above prescribed procedure because the entity does not utilize a requisition/purchase order system and does not otherwise require a separation of duties for initiation and approval of transactions.

- b) At least two employees are involved in processing and approving payments to vendors.

No exceptions noted.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Not applicable. Adding/modifying vendor files are addressed entirely by the Ascension Parish School Board.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

No exceptions noted.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.

The disbursement matched the related original invoice.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

The disbursement documentation included evidence of segregation of duties tested under #9.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to

testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Not applicable. Payroll procedures are addressed entirely by the Ascension Parish School Board.

Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Not applicable.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

Not applicable.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Not applicable.

17. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Not applicable. Payroll procedures are addressed entirely by the Ascension Parish School Board.

18. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Not applicable. Payroll procedures are addressed entirely by the Ascension Parish School Board.

Ethics

19. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

Not applicable. Ethic procedures are addressed entirely by the Ascension Parish School Board.

- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Not applicable.

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Not applicable.

Debt Service

20. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

Not applicable. The Authority does not have any debt.

21. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Not applicable. The Authority does not have any debt.

Other

22. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

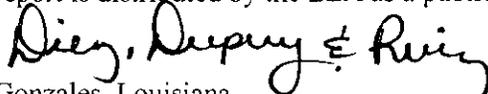
Management asserted that the entity did not have any misappropriations of public funds or assets.

23. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Required notice was posted on the Authority's premises.

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, respectively, 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 purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.


Gonzales, Louisiana
December 10, 2018