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

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2021**

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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, 2021, 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, 2021, 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 22, 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.

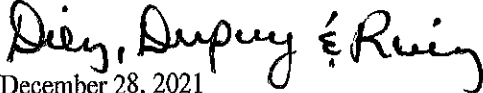
Other Information

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 23 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 28, 2021, 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 28, 2021
Gonzales, Louisiana

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

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, 2021. 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

- The Authority's net position decreased \$39,939.
- The General fund reported no change in fund balance.
- Total revenues in the general fund increased by \$33,089 and total expenditures in the general fund increased by \$40,149. This is primarily due to increases in professional 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 \$179 million in taxes, license, and occupancy, which represents a \$26.5 million increase from the previous year.
- Sales tax collections increased compared to prior year because of the rebound of the economy from 2020 COVID-19 impacts on the retail and construction industry Parish wide.

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, 2021

Basic 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 statements are presented on pages 13-14. 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. The Authority only reports on a custodial fund. Custodial funds are presented on an economic resource measurement focus and full accrual basis of accounting.

FINANCIAL ANALYSIS OF THE ENTITY

	Statement of Net Position	
	2021	2020
Capital assets, net	\$ 57,953	\$ 76,697
Due from other governments	-	-
Total Assets	<u>\$ 57,953</u>	<u>\$ 76,697</u>
Current liabilities	\$ -	\$ -
Noncurrent liabilities	91,512	70,317
Total Liabilities	<u>91,512</u>	<u>70,317</u>
Net position		
Net Investment in capital assets	57,953	76,697
Unrestricted deficit	(91,512)	(70,317)
Total Net Position (Deficit)	<u>(33,559)</u>	<u>6,380</u>
Total Liabilities and Net Position	<u>\$ 57,953</u>	<u>\$ 76,697</u>

Net position of the Ascension Parish Sales and Use Tax Authority decreased by \$39,937 from the previous fiscal year. The decrease is the result of depreciation expense recorded during the fiscal year ended 2021.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

Statement of Activities

	2021	2020
General revenues		
Intergovernmental	\$ 1,608,171	\$ 1,575,082
Total revenue	1,608,171	1,575,082
Expenses	1,648,110	1,607,961
Change in net position	\$ (39,939)	\$ (32,879)

The Ascension Parish Sales and Use Tax Authority's total revenues increased by \$33,089 or 2% from the previous year. The total cost of all programs and services increased by \$40,149 or 2.5% 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 \$91,512 in compensated absences payable at year end compared to \$70,317 at the previous year end, an increase of \$21,195 or 30%.

Capital Assets

At the end of 2021, the Authority had invested, net of accumulated depreciation, \$57,953 in equipment, furniture, and fixtures. (See Table below)

	Governmental Activities
Equipment, furniture, and fixtures	\$ 329,173
Less: Accumulated depreciation	(271,220)
Total	\$ 57,953

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, 2021

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 budget for 2022 year is approximately the same as the 2021 fiscal year budget.

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, 2021

ASSETS

Capital assets, net	\$ 57,953
Total Assets	57,953

LIABILITIES

Current liabilities:	
Accounts payable	-
Noncurrent liabilities:	
Compensated absences payable	91,512
Total Liabilities	91,512

NET POSITION (DEFICIT)

Net investment in capital assets	57,953
Unrestricted deficit	(91,512)
Total Net deficit	\$ (33,559)

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, 2021

	<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	\$ 1,648,110	\$ -	\$ 1,648,110
Total governmental activities	<u>\$ 1,648,110</u>	<u>\$ -</u>	<u>1,648,110</u>
General Revenues:			
Intergovernmental			<u>1,608,171</u>
Total general revenues			<u>1,608,171</u>
Change in net position (deficit)			(39,939)
Net position, beginning of year			<u>6,380</u>
Net position (deficit), end of year			<u>\$ (33,559)</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, 2021

ASSETS

Due from other governments \$ -

Total Assets \$ -

LIABILITIES

Accounts payable \$ -

Total Liabilities -

FUND BALANCE

Unassigned -

Total Fund Balance -

Total Liabilities and Fund Balance \$ -

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, 2021

Total fund balance - Governmental Fund	\$	-
Amounts reported for governmental activities in the statement of net position are different because:		
Cost of capital assets		329,173
Less: accumulated depreciation		(271,220)
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>(91,512)</u>
Total net deficit - Governmental Activities	\$	<u><u>(33,559)</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, 2021

REVENUES

Intergovernmental	\$ 1,608,171
Total revenues	<u>1,608,171</u>

EXPENDITURES

General Government:	
Personnel	997,642
Travel	4,769
Operating services	205,994
Supplies	53,114
Professional services	325,526
Capital outlay	21,126
Total expenditures	<u>1,608,171</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, 2021

Net change in fund balance - governmental fund	\$ -
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlay capitalized	21,126
Depreciation expense	(39,870)
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>(21,195)</u>
Change in net position (deficit) - Governmental Activities	<u><u>\$ (39,939)</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, 2021

	<u>Custodial Fund</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 15,736,920
Accounts receivables	<u>17,247,610</u>
Total Assets	<u>32,984,530</u>
<u>LIABILITIES</u>	
Accounts payable	<u>32,370,626</u>
Total Liabilities	<u>32,370,626</u>
<u>NET POSITION</u>	
Restricted for organizations and other governments	<u>\$ 613,904</u>

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

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA

STATEMENT OF CHANGES FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2021

	<u>Custodial Fund</u>
<u>ADDITIONS</u>	
Sales tax collections	\$ 175,846,196
Occupancy license	2,448,037
Hotel tax	593,649
Interest	295
Total additions	<u>178,888,177</u>
<u>DEDUCTIONS</u>	
Transfer to taxing bodies	<u>178,772,745</u>
Total deductions	<u>178,772,745</u>
Net changes in fiduciary net position	115,432
Net position, beginning, as restated	<u>498,472</u>
Net position, ending	<u>\$ 613,904</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, 2021

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, if received during the year.

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, 2021

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 Custodial 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. Custodial 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, 2021

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.

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, 2021

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 \$15,643,641 at June 30, 2021. 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, 2021, 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, 2021

3. CAPITAL ASSETS

A summary of the Ascension Parish Sales and Use Tax Authority's capital assets at June 30, 2021 follows:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2021</u>
Capital Assets				
Furniture, fixtures and equipment	\$ 308,047	\$ 21,126	\$ -	\$ 329,173
Less accumulated depreciation	<u>(231,350)</u>	<u>(39,870)</u>	<u>-</u>	<u>(271,220)</u>
Total Capital Assets, net	<u>\$ 76,697</u>	<u>\$ (18,744)</u>	<u>\$ -</u>	<u>\$ 57,953</u>

For the year ended June 30, 2021, depreciation expense was \$39,870.

4. COMPENSATED ABSENCES

At June 30, 2021, employees of the Ascension Parish Sales and Use Tax Authority had accumulated \$91,512 in annual leave benefits. The following is a summary of the changes in accumulated annual leave benefits for the year ended June 30, 2021:

Compensated absences payable, beginning of year	\$ 70,317
Additions	21,195
Deletions	<u>-</u>
Compensated absences payable, end of year	<u>\$ 91,512</u>

5. 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 \$358,847 in sales taxes paid under protest as of June 30, 2021. These amounts are held and reported in the Authority's agency fund.

6. OPERATING LEASE COMMITMENTS

The Authority leases office space as a tenant under an operating lease expiring in ten years. Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of June 30, 2021 for each year and in the aggregate are:

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

6. OPERATING LEASE COMMITMENTS (continued)

<u>Year Ending June 30,</u>	
2022	\$ 68,400
2023	69,600
2024	72,000
2025	72,000
2026	72,000
Thereafter	<u>199,200</u>
	<u>\$ 553,200</u>

The operating lease provides for a renewal option for two ten-year options to renew. The base rent during any renewal period, shall increase by 10% in year 1 and year 6 of each renewal period. If no notice is given, the lease shall renew on a month-to-month basis at \$7,000 and a six month notice of cancellation is required.

7. COLLECTIONS ON BEHALF OF OTHER TAXING AUTHORITIES

The following are the total collections, collection costs, and final distributions for the year ended June 30, 2021.

	<u>Total</u>	<u>Collection</u>	<u>Final</u>
	<u>Collections</u>	<u>Costs</u>	<u>Distribution</u>
School Board (2%)	\$ 78,285,044	\$ 634,238	\$ 77,650,806
Parish Council (1%)	28,150,929	262,659	27,888,270
Drainage District (0.5%)	17,563,518	148,936	17,414,582
City of Gonzales (2%)	18,022,076	96,565	17,925,511
District No. 2 (0.5%)	13,719,312	129,340	13,589,972
Sheriff (0.5%)	13,719,312	129,340	13,589,972
City of Donaldsonville (2%)	3,568,727	19,223	3,549,504
Hospital District (0.5%)	1,582,514	9,476	1,573,038
Sorrento (2%)	757,295	4,083	753,212
Tanger Mall DD (1%)	1,106,271	5,954	1,100,317
Conway EDD (1%)	58,541	328	58,213
Occupancy Tourism (2%)	602,902	3,242	599,660
Occupancy Gonzales (2%)	457,543	2,508	455,035
OLT	2,678,766	54,639	2,624,127
Tax Free	526	-	526
	<u>\$ 180,273,276</u>	<u>\$ 1,500,531</u>	<u>\$ 178,772,745</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 5).

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, 2021. 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.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

9. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 28, 2021, the date that the financial statements were available to be issued, noting no subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

10. NEW ACCOUNTING PRONOUNCEMENT

As of July 1, 2020, the Authority adopted the requirements of GASB Statement No. 84, Fiduciary Activities. This Statement improves guidance regarding the identification of fiduciary activities for accounting financial reporting purposes and how those activities should be reported. The statement establishes criteria for identifying fiduciary activities of all state and local governments. With the adoption of GASB Statement No. 84, a statement of fiduciary net position and a statement of changes in fiduciary net position have been presented as part of the basic financial statements. These statements consist of the Authority's custodial fund (formerly agency fund). The changes have the following effect on the beginning balances below at June 30, 2021:

	<u>Custodial Fund</u>
July 1, 2020 net position, as reported	\$ -
Prior period adjustment:	
Change in accounting principle:	
Change in due to/from other governments	498,472
July 1, 2020 net position, as restated	\$ 498,472

REQUIRED SUPPLEMENTARY INFORMATION

ASCENSION PARISH SALES AND USE TAX AUTHORITY
GONZALES, LOUISIANA

BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental	\$ 1,642,808	\$ 1,642,808	\$ 1,608,171	\$ (34,637)
Total Revenues	<u>1,642,808</u>	<u>1,642,808</u>	<u>1,608,171</u>	<u>(34,637)</u>
<u>EXPENDITURES</u>				
General Government:				
Personnel	1,107,008	1,107,008	997,642	109,366
Travel	36,000	36,000	4,769	31,231
Operating services	201,100	201,100	205,994	(4,894)
Supplies	61,500	61,500	53,114	8,386
Professional services	210,000	210,000	325,526	(115,526)
Capital outlay	27,200	27,200	21,126	6,074
Total Expenditures	<u>1,642,808</u>	<u>1,642,808</u>	<u>1,608,171</u>	<u>34,637</u>
<u>EXCESS (DEFICIENCY) OF REVENUES 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, 2021

Agency Head: Kressynda Krennerich, Tax Administrator

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 100,662
Retirement	25,847
Benefits-insurance	11,243
Travel	676
Registration fees	1,114
Conference travel	465
	<u>\$ 140,007</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, 2021, 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 28, 2021.

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) as a basis for designing 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. 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 financial statements. 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 28, 2021

ASCENSION PARISH SALES AND USE TAX AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2021

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*. No material weaknesses were identified.
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, 2021

FINDINGS – FINANCIAL STATEMENT AUDIT

None noted.

FINDINGS – COMPLIANCE WITH STATE LAWS AND REGULATIONS

None noted