
ASCENSION PARISH SALES AND USE TAX AUTHORITY

GONZALES, LOUISIANA

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/26/08

ASCENSION PARISH SALES AND USE TAX AUTHORITY

GONZALES, LOUISIANA

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2007

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statement of the Ascension Parish Sales and Use Tax Authority as of and for the year ended June 30, 2007, which comprise the Ascension Parish Sales and Use Tax Authority's basic financial statements as listed in the table of contents. The financial statements are the responsibility of the Ascension Parish Sales and Use Tax Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Ascension Parish Sales and Use Tax Authority as of June 30, 2007, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 2 through 4 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion to it.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 4, 2007 on our consideration of Ascension Parish Sales and Use Tax 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

December 4, 2007

ASCENSION PARISH SALES AND USE TAX AUTHORITY
Gonzales, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2007

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 Sale and Use Tax Authority's financial activities for the year ended June 30, 2007. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information (where available).

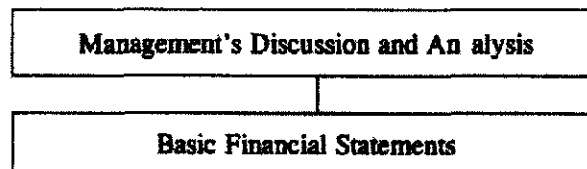
FINANCIAL HIGHLIGHTS

- ★ The Ascension Parish Sales and Use Tax Authority's collections increased at the close of fiscal year 2007 by \$3.8 million or 4%.

- ★ Sales tax revenues increased during the year mainly because the parish experienced significant growth from residents moving into the parish. In addition, general retail increased because of the growing number of residents that are spending money within the parish.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



ASCENSION PARISH SALES AND USE TAX AUTHORITY
Gonzales, Louisiana

MANAGEMENT' S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2007

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

Fund financial statements. A fund is grouping of related accounts that are used to maintain control over the resources that have been segregated for specific activities or objectives. The Ascension Parish Sales and Use Tax Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the Ascension Parish Sales and Use Tax Authority can be divided into one category, fiduciary funds.

Fiduciary funds. Fiduciary Funds are used to account for resources held for the benefit of outside parties such as other governments. The Ascension Parish Sales and Use Tax Authority uses its funds to account for sales taxes and occupational licenses which it collects from governments.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Fiduciary Assets and Liabilities
As of June 30, 2007
(Table 1)

	<u>2007</u>	<u>2006</u>
Total Current Assets	<u>\$ 7,665,175</u>	<u>\$ 7,901,775</u>
Accounts Payable	4,121	308,698
Due to taxing bodies	7,659,305	7,591,181
Compensated Absences	<u>1,749</u>	<u>1,896</u>
Total Liabilities	<u>\$ 7,665,175</u>	<u>\$ 7,901,775</u>

- Total current assets have decreased approximately 2% from prior year.
- Due to taxing bodies has increased \$68,124 or approximately .9%.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
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MANAGEMENT' S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2007

Changes in Due to Taxing Bodies
 (Table 2)

	<u>2007</u>	<u>2006</u>
Revenues		
Taxes and licenses collected	\$ 90,304,959	\$ 85,219,664
Interest	111,556	76,992
Total revenues	90,416,515	85,296,656
Expenses		
School Board	39,056,716	36,368,555
Parish Council	13,396,274	11,801,114
Drainage District	8,957,051	8,352,848
City of Gonzales	10,876,085	11,439,931
District No. 2	6,314,811	5,455,093
City of Donaldsonville	1,894,941	2,044,594
Hospital District	803,734	729,786
Sorrento	402,373	371,335
Occupational License	1,454,616	1,277,167
Occupancy tax	73,470	-
Tax Free	17,647	11,066
Operating Expenses	786,338	701,192
Sheriff	6,314,355	5,454,814
Total expenses	90,348,391	84,007,495
Increase in due to taxing bodies	\$ 68,124	\$ 1,289,161

- Total revenues increased by approximately \$5.1 million to \$90 million. The increase is due to the continuous growth of residence and businesses in the parish. Also, the increasing growth in the Parish is represented by more stable operations by the Petro Chemical industry. Over the past year, the chemical plants in the parish experienced full production of their produces with very little competitive distractions from other industries.
- Total expenses increased approximately \$6.3 million or 7 percent. About 99.2% of expenses are driven by the sales taxes and occupational licenses collected. The other .8% consists of operating expenses used by the Sales Tax Authority for services performed by its office. About 64 percent of operating expenses is from salaries paid to employees. Occupational license expense make up 17 percent and the rest is general office expenses needed to run the office.

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

This financial report is designed to provide a general overview of the Authority's finances for those with an interest in the government's financial position and o perations. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Mark West, Tax Administrator, Ascension Parish Sales and Use Tax Authority, 915 S. Nickens Avenue, Gonzales, LA 70737.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2007

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash and Cash equivalents	<u>\$ 7,665,175</u>
<u>LIABILITIES</u>	
Protested tax payments	\$ 4,121
Due to taxing bodies	7,659,305
Compensated absences payable	<u>1,749</u>
Total Liabilities	<u>\$ 7,665,175</u>

The accompanying notes are an integral part of this statement.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
Gonzales, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

The Ascension Parish Sales and Use Tax Authority was created October 5, 1989 for the purpose of collecting, administering and distributing the various sales and use taxes levied by entities within Ascension Parish, and the occupational license tax and the hotel/motel tax for the Ascension Parish Council. The Authority is governed by a Board of Directors. The Board is composed of the Chief Administrative Officer (or appointee) for each governing authority of any participating entity having a history of collecting in excess of \$1,000,000 of sales taxes for two consecutive years. As of year end, the Board consisted of a member of the Ascension Sales and Use Tax Authority, Ascension Parish Council, Ascension Parish School Board, the City of Gonzales, and the City of Gonzales.

1. **Summary of Significant Accounting Policies**

A. Reporting Entity

For financial reporting purposes, the Authority includes all funds that are within oversight responsibility of the Authority.

Fiduciary Fund Type:

Agency Fund - The Agency Fund is used to account for assets held by the Ascension Parish Sales and Use Tax Authority in a trustee capacity or as an agent for the taxing authorities at (Note B).

B. Basis of Presentation

Fiduciary Fund Financial Statements: The fund financial statements provide information about the Authorities fund, fiduciary fund. A statement for the fiduciary fund category is presented in the statement. The emphasis of fund financial statements is on major governmental funds, displayed in their own column.

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 flows take place.

C. Measurement Focus, Basis of Accounting

The fiduciary fund financial statements are reported using the economic resources measurement focus. All fiduciary funds of the Authority follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinion, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
Gonzales, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

D. Cash and Cash Equivalents

State law authorizes the Ascension Parish Sales and Use Tax Authority to deposit tax collections in a bank domiciled in the parish where the funds are collected. Furthermore, the Ascension Parish Sales and Use Tax Authority may invest these deposits in certificates of deposit or other investments permitted by law.

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

F. Participating Entities

As of June 30, 2007, the Authority collected taxes for the following entities.

1. Ascension Parish Council
2. Ascension Parish School Board
3. Ascension Parish District Number Two
4. City of Gonzales
5. City of Gonzales
6. City of Sorrento
7. East Ascension Drainage District
8. West Ascension Hospital Service District
9. Ascension Parish Sheriff

ASCENSION PARISH SALES AND USE TAX AUTHORITY
Gonzales, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

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

G. **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 25 days is paid to employees or their heirs at the employees' current rate of pay. The accrual computation for earned sick leave is calculated on a 25-day maximum per employee. Sick leave is not payable upon discharge or termination. Upon retirement, accumulated sick leave is used in the retirement benefit computation as earned service.

All employees earn 10 to 20 days of annual vacation leave per year depending on length of service with the Authority.

In Fiduciary Fund types, 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.

2. **Custodial Credit Risk-Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial risk. As of June 30, 2007, \$7,661,565 of the bank balance was not exposed to custodial credit risk.

3. **Taxes Paid Under Protest/Litigation**

The Authority has no existing suits against it involving taxes paid under protest. The amount of taxes paid under protest balance at June 30, 2007 was \$4,121.

ASCENSION PARISH SALES AND USE TAX AUTHORITY
Gonzales, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

4. Changes in Agency Fund Deposits Due Others

A summary of changes in agency fund deposits due others follows:

	<u>June 30, 2007</u>
Balance, beginning of year	<u>\$ 7,591,181</u>
Additions	
Taxes and licenses collected	90,304,959
Interest	<u>111,556</u>
	<u>90,416,515</u>
Reductions	
Taxes paid - School Board	39,056,716
- Parish Council	13,396,274
- Drainage District	8,957,051
- Gonzales	10,876,085
- District No. 2	6,314,811
- Donaldsonville	1,894,941
- Hospital District	803,734
- Sorrento	402,373
- Occupational License	1,454,616
- Occupancy tax	73,740
- Tax Free	17,647
- Operating Expenses	786,338
- Sheriff	<u>6,314,355</u>
	<u>90,348,391</u>
Balance, end of year	<u>\$ 7,659,305</u>

ASCENSION PARISH SALES AND USE TAX AUTHORITY

Gonzales, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

5. Defined Benefit Pension Plans and Postemployment

Substantially all employees of the Authority are members of Teachers Retirement Systems. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by a board of trustees. Pertinent information relative to each plan follows:

Plan Description. The TRS consists of three membership plans: Regular Plan, Plan A, and Plan B. The TRS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRS. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

Funding Policy. Plan members are required to contribute 8.0 percent, 9.1 percent, and 8.0 percent of their annual covered salary for the Regular Plan, Plan A, and Plan B, respectively. The Authority is required to contribute at an actuarially determined rate. The current rate is 15.8 percent of annual covered payroll for all three membership plans. Member contributions and employer contributions for the TRS are established by state law and rates are established by the Public Retirements Systems' Actuarial Committee. The Authority's employer contribution for the TRS, as provided by state law, is funded by the State of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the Authority.

The Authority's contributions to the TRS for the years ended June 30, 2007, 2006, and 2005, were \$60,179, \$54,851, and \$52,082, respectively, which equals to the required contributions for each year.



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

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

We have audited the financial statements of the Ascension Parish Sales and Use Tax Authority as of and for the year ended June 30, 2007, which collectively comprise the Ascension Parish Sales and Use Tax Authority's basic financial statements and have issued our report thereon dated December 4, 2007. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ascension Parish Sales and Use Tax Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Ascension Parish Sales and Use Tax Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Ascension Parish Sales and Use Tax Authority's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Ascension Parish Sales and Use Tax Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Ascension Parish Sales and Use Tax Authority's financial statement that is more than inconsequential will not be prevented or detected by the Ascension Parish Sales and Use Tax Authority's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Ascension Parish Sales and Use Tax Authority's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ascension Parish Sales and Use Tax Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Ascension Parish Sales and Use Tax Authority's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Ascension Parish Sales and Use Tax Authority's response and, accordingly, we express no opinion on it.

This report is intended for the information of the Ascension Parish Sales and Use Tax Authority's Management, Parish Council, federal awarding agencies, and pass through entities, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



December 4, 2007

ASCENSION PARISH SALES AND USE TAX AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2007

SUMMARY OF AUDIT RESULTS

1. The auditors' report expressed an unqualified opinion on the financial statements of Ascension Parish Sales and Use Tax Authority.
2. No significant deficiencies noted relating to the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Ascension Parish Sales and Use Tax Authority were disclosed during the audit.

FINDINGS – FINANCIAL STATEMENT AUDIT

None

ASCENSION PARISH SALES AND USE TAX AUTHORITY

SCHEDULE OF PRIOR YEAR FINDINGS

YEAR ENDED JUNE 30, 2007

FINDINGS – FINANCIAL STATEMENT AUDIT

None