

**ST. MARY PARISH SALES AND USE TAX DEPT.
STATE OF LOUISIANA**

**Annual Component Unit Financial Statements with
Independent Auditors' Report**

and

**Report on Internal Control Over Financial Reporting and Compliance
and Other Matters**

For the Year Ended December 31, 2012

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 SEP 25 2013

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INDEPENDENT AUDITORS' REPORT

Mr. Jeff LaGrange, Director
St. Mary Parish Sales and Use Tax Dept
Morgan City, Louisiana

Report on the Financial Statement

We have audited the accompanying Statement of Fiduciary Net Position of the St. Mary Parish Sales and Use Tax Dept., a component unit of the St. Mary Parish Council, as of December 31, 2012, and the related notes to the financial statement which comprise the St. Mary Parish Sales and Use Tax Dept.'s basic financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for preparation and fair presentation of this financial statement 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 the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement

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

The St Mary Parish Sales and Use Tax Dept is an agency fund created to collect certain taxes within St Mary Parish and remit them to the various governing bodies within the Parish. The operations of an agency fund are custodial in nature and because of this, the financial statement reports the assets and liabilities and does not report results of operations, nor changes in assets and liabilities

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of the St Mary Parish Sales and Use Tax Dept., as of December 31, 2012, in accordance with accounting principles generally accepted in the United States of America

Other Matters

Required Supplementary Information

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statement. Such missing information, although not a part of the basic financial statement, is required by the Governmental Accounting Standards Board, who considers to be an essential part of financial reporting for placing the basic financial statement in an appropriate operational, economic, or historical context. Our opinion on the basic financial statement is not affected by this missing information

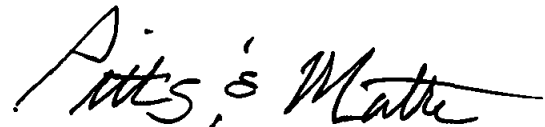
Accounting principles generally accepted in the United States of America require that the Schedule of Funding Progress, as listed in the table of contents, be presented to supplement the basic financial statement. Such information, although not a part of the basic financial statement, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statement 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 statement, and other knowledge we obtained during our audit of the basic financial statement. 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 an opinion on the basic financial statement as a whole. The accompanying Schedule of Administrative Costs is presented for purposes of additional analysis and is not a required part of the financial statement. The accompanying Schedule of Administrative Costs is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole.

Other Reporting Requirements by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 31, 2013 on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with Government Auditing Standards in considering St. Mary Parish Sales and Use Tax Dept's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

May 31, 2013

ST. MARY PARISH SALES AND USE TAX DEPT.

STATEMENT OF FIDUCIARY NET POSITON

December 31, 2012

ASSETS

Cash	\$ 2,092,920
Investments	2,303,160
Sales tax receivable	3,945,258
Amounts due from taxing units	<u>55,196</u>
Total assets	<u>\$ 8,396,534</u>

LIABILITIES

Accounts payable and accrued liabilities	\$ 20,611
Amounts due to taxing units	
Amount payable in January, 2013	3,222,020
Amount payable in February, 2013	3,945,258
Retained taxes collected	684,575
Accrued compensated absences	53,600
Other postemployment benefits liability (net)	<u>470,470</u>
Total liabilities	<u>\$ 8,396,534</u>

ST. MARY PARISH SALES AND USE TAX DEPT.
Notes to the Financial Statement
December 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The St Mary Parish Sales and Use Tax Dept (Department) is responsible for the collection and distribution of the various sales and use taxes levied within the Parish. The Department was created in 1966, when the St Mary Parish Police Jury, forerunner of the St Mary Parish Council, adopted its original Sales Tax Ordinance, which levied the first sales tax within the Parish. The Department collects a total of 4% (4.3% within the City of Morgan City) sales tax which has been levied over the years and distributes the proceeds to the various taxing units within the Parish. In addition, the Department collects and distributes the Hotel/Motel Tax and occupational licenses within the parish. Each taxing unit has agreed to reimburse the Department for a portion of the operating costs.

The financial statements of the Department have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Department's accounting policies are described below.

A Reporting Entity

In evaluating how to define the governmental unit, for financial reporting purposes, consideration has been given to the following criteria as set forth in GAAP:

- 1 Financial benefit or burden
- 2 Appointment of a voting majority
- 3 Imposition of will
- 4 Fiscally dependent

Based upon the above criteria, the Department is a component unit and integral part of the St Mary Parish Council (the primary government).

These financial statements include only the operations of the Department.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B Fund Accounting

The Department uses funds to report on its financial position and the changes in its assets and liabilities. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category in turn, is divided into separate "fund types". The Department's current operations require only the use of one fiduciary fund, the agency fund.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

Fiduciary Fund

Agency Fund

The St. Mary Parish Sales and Use Tax Dept. is categorized as a Fiduciary Fund and is operated as an Agency Fund type. The Department accounts for the collection and disbursement of assets held as an agent for other government units. The Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

C Basis of Accounting

The Department uses the full accrual basis of accounting. Under the full 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.

Collections

Sales and use taxes and hotel/motel taxes are recognized in the month that the retail sale or lodging stay occurs, not when the taxes are collected by the Department. Occupational license taxes are recognized when the tax is collected by the Department.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Department is entitled to the sales and use tax revenues at the time a retail sale takes place. Taxes on sales occurring during one month become due on the first day of the subsequent month and the sales tax return and related tax payment on those sales are due to the Department by the twentieth of the subsequent month. Returns and payments received after the twentieth day of the month are delinquent and are charged interest from the first day of the month. The Department collects the sales taxes at that time and then remits the collections to the various taxing units by the tenth of the following month.

The Department records the asset (sales tax receivable) and the related liability (amount payable to taxing units) at the time of the taxable sale.

For example, when taxable sales occur in December, the related asset (receivable) and liability (payable) are recorded in December. The taxes collected on the December sales are due by the twentieth day of January and are distributed to various taxing units on February tenth.

Distributions

The liability for distribution to the various taxing units is recorded in the month the various taxes are recognized by the Department.

Cost of Operations

Items which make up operating charges are generally recognized under the accrual basis of accounting when the related liability is incurred.

D Budgets

The Department is not required to adopt and did not adopt a budget for the year ended December 31, 2012.

E Cash

For financial statement purposes, cash includes demand deposits and interest-bearing demand deposits.

F Investments

The Department invests primarily in external investment pools. These pooled investments are recorded at amortized costs which approximate fair value.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G Taxes Paid Under Protest

In some cases there is a dispute between the Department and taxpayers as to the taxability of certain transactions. In these cases taxes paid by the taxpayer are recorded in a restricted cash or investment account with an offsetting liability in the retained taxes collected account. At the time the ultimate taxability of the transaction is determined the funds are either returned to taxpayer, if the transaction is determined to be nontaxable or, distributed to various taxing governments, if the transaction is determined to be taxable.

H Compensated Absences

Employees earn vacation and sick leave annually at varying rates depending upon length of service, vacation does not accumulate and can only be used in the current period. Compensated absences due to sick pay are allowed to accumulate from period to period if not used, however, an employee is only compensated for sick time, when they are absent due to illness or upon termination due to retirement. An accrual of \$53,600 is made for accumulated sick time estimated to be paid to employees at retirement, based upon their years of services provided through December 31, 2012.

I Other Postemployment benefits liability

The Department has agreed to provide its employees with postemployment benefits as described further in Note 4. In addition, the Department is currently setting aside certain assets to fund these benefit payments that will become due in future years. The assets set aside are reported with investments. The related liability is reported as other postemployment benefits liability.

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Department does not have a formal investment policy related to interest rate risk (the risk of an investment decreasing in value due to increasing interest rates).

In addition, the Department does not have a formal investment policy related to credit risk (including concentrations of credit).

However the Department does follow state law as to limitations on types of deposits and investments as described below.

The Department does not invest in any investments subject to foreign currency risk.

Cash and cash equivalents

Under state law the Department may deposit its funds with certain state and federally chartered financial institutions. These deposits are required to be insured or collateralized by the financial institutions.

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

At year end, the carrying amount of the Department's cash was \$2,092,920 and the bank balance was \$2,192,968, all of which is covered by federal depository insurance

Investments

Under state law the Department may invest in certain federal or federally guaranteed securities, certain bank time certificates of deposit, mutual or trust funds, and in the Louisiana Asset Management Pool (LAMP) LAMP is an external investment pool operated to allow local governments to pool their investment funds LAMP is not registered with the SEC as an investment company LAMP is subject to regulatory oversight of the Louisiana State Treasurer and the LAMP board of directors Share values for the pool are valued at fair value based on quoted market rates determined on a weekly basis

At year end all of the Department's invested funds were invested with LAMP These investments total \$2,303,160, including assets of \$468,876 invested for other post employment benefits and accrued compensated absences and are carried at fair value These investment pool amounts have not been assigned a credit risk category since the Department is not issued securities, however LAMP has a AAAM rating from Standard and Poor's

LAMP determines its maturities using the weighted average maturity (WAM) method The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days The WAM for LAMP's total investments is 51 days as of December 31, 2012

NOTE 3 - AMOUNTS CURRENTLY DUE TO TAXING UNITS

The following is a detail of amounts due to taxing units at December 31, 2012

	Payable in <u>January 2013</u>	Payable in <u>February 2013</u>
St Mary Parish School Board	\$1,361,283	\$1,672,323
St Mary Parish Council	521,349	633,589
City of Morgan City	453,960	595,142
City of Franklin	220,240	293,057
City of Patterson	181,606	178,058
Town of Berwick	146,961	167,757
Town of Baldwin	70,040	74,287
St Mary Parish Recreation District #1	21,865	39,930
St Mary Parish Sheriff's Office	194,383	238,797
St Mary Parish Tourist Commission	47,806	52,318
St Mary Parish-occupational license	303	--
City of Patterson-occupational license	1,779	--
City of Morgan City-occupational license	421	--
City of Franklin-occupational license	24	--
	<u>\$3,222,020</u>	<u>\$3,945,258</u>

NOTE 4 - PENSION PLAN AND OTHER POSTEMPLOYMENT BENEFITS

Pension Plan

The Department contributes to the Parochial Employees' Retirement System of Louisiana (Plan A), a cost sharing multiple-employer public employee retirement system administered by a Board of Trustees consisting of seven members. The System provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. The System was established by the Louisiana legislature Act 205 of 1952 and revised by Act 765 of 1970. The System issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by calling the Parochial Employees' Retirement System of Louisiana at (225) 928-1361.

Plan members are required to contribute 9.50% of their annual covered salary and the Department is required to contribute at a rate established by the State Legislature. The employer contribution rate is currently 15.75%. The Department's actual contributions to the System for the years ending December 31, 2012, 2011, and 2010 were approximately \$58,000, \$63,000, and \$60,000, respectively, and were equal to the required contributions for each year.

Other Postemployment Benefits

Background. The Department provides healthcare insurance for their retired employees. Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* addresses the reporting requirements that should be followed for local governments. The Department implemented these changes for the year beginning, January 1, 2008.

Plan Description. The St. Mary Parish Sales and Use Tax Department administers a single-employer defined benefit healthcare plan. Although the Department does not have a written plan, the benefits that are provided to retirees are approved on a year-to-year basis. Because the Department is a component of the St. Mary Parish Council, which does have a written plan, it generally follows the guidelines set forth by the Parish. All benefits to be provided to plan members or beneficiaries in accordance with the current substantive plan (the plan terms as described by the employer to plan members) at the time of each valuation, including any changes to plan terms that have been made and communicated to employees. The Department's plan does not issue a publicly available financial report.

Funding Policy. The Department began funding the annual required contribution in July 2009. The Department contributes 100 percent of the cost of current year premiums for eligible retired members and 60 percent of the cost for their spouses. In addition, the Department began setting aside \$10,000 per month in July of 2009, increased this in September of 2010 to \$15,000, and decreased this in July of 2012 to \$10,000 per month for benefits for current employees that will become due in the future. Plan members receiving benefits only contribute 40% of their spouses premium cost. In the fiscal year ended December 31, 2012, the total employer contribution was \$16,140. In addition, the Department set aside approximately \$88,000 for future benefits in 2012.

NOTE 4 - PENSION PLAN AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Annual OPEB Cost and Net OPEB Obligations The Department's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*. The Department has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Department's annual OPEB cost for the year, the amount actually contributed to the plan, changes in the Department's net OPEB obligation to the plan, and the percentage of annual OPEB cost contributed to the plan.

Annual required contribution	\$202,274
Interest on net OPEB obligations	11,856
ARC adjustment	<u>(23,932)</u>
Annual OPEB cost (expense)	\$190,198
Contributions made	<u>(16,140)</u>
Increase in net OPEB obligation	\$174,058
Net OPEB Obligations – Beginning of year	<u>296,412</u>
Net OPEB Obligations – End of year	<u>\$470,470</u>

Year Ended	Annual OPEB Cost	% of annual OPEB Cost Contributed	Net OPEB Obligation	Amounts Held for future OPEB payments (not placed in an irrevocable trust)
12/31/10	\$72,013	15.6%	\$174,967	\$200,254
12/31/11	\$133,611	9.1%	\$296,413	\$300,067
12/31/12	\$190,198	8.5%	\$470,470	\$415,276

It is the Department's policy to pay insurance premiums for retired employees in addition to set aside funds for the payment of current employees that will become due in the future. However, under the provisions of GASB 45, payments made by an employer to an OPEB plan do not qualify as contributions or reduction of a OPEB benefit obligation unless they are paid to an insurance company or placed in an irrevocable trust. While payments made by the Department for future benefits are set aside in a separate account, they are not placed in an irrevocable trust.

NOTE 4 - PENSION PLAN AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Funded Status and Funding Progress As of December 31, 2012 the actuarial accrued liability for benefits was \$1,431,950, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$408,456, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 350.6 percent.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presented as required supplemental information following the notes to the financial statements presents information that shows whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effect of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations.

The following simplifying assumptions were made:

Retirement age for active employees—Based on the historical average retirement age for the covered group, active plan members were assumed to retire at the earlier of age 65, or after completing the required 33 years of service (the minimum years needed to obtain maximum pension benefits).

Marital Status—Marital status of members at the calculation date was assumed to continue throughout retirement.

Mortality—Life expectancies were based on mortality tables from the National Center for Health Statistics. The 2007 United State Life Tables for Males and for Females were used.

Turnover—Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

NOTE 4 - PENSION PLAN AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Healthcare cost trend rate—The expected rate of increase in healthcare insurance premiums was based on projections of the Office of the Actuary at the Centers for Medicare & Medicaid Services. A rate of 4.7 percent initially, increased to an ultimate rate of 6.2 percent after 6 years, was used.

Health insurance premiums—The current premiums paid for each member and their spouse was used as the basis for calculation of the present value of total benefits to be paid.

Discount rate—Four percent, is a conservative estimate of the expected long term return of a balanced and conservative investment portfolio under professional management. In addition a simplified version of the unit cost actuarial cost method was used. The unfunded actuarial accrued liability is being amortized over sixteen and one-half years as a level dollar amount on an open basis.

NOTE 5- RELATED PARTY

The Department rents its office facilities, on a month-to-month basis, from the St. Mary Parish Council, the oversight entity. The amount of rent paid in 2012 totals \$9,600.

NOTE 6 - RISK MANAGEMENT AND CONTINGENCY

The Department is exposed to various risks of loss related to torts, theft, or damage to assets, errors and omissions, injuries to employees and natural disasters. The Department has purchased commercial insurance to protect against loss from substantially all these perils. There were no significant reductions in insurance coverages from prior years. There were no insurance settlements in excess of the amount of coverage during the last three years.

The Department is subject to a lawsuit in which the plaintiffs seek sales tax refunds of approximately \$130,000 for taxes previously paid. The Department intends to vigorously defend itself against these claims. Management and its legal counsel cannot yet predict an outcome. Accordingly, no liability is reflected in this financial statement for these liability claims.

NOTE 7 - TAX COLLECTIONS AND DISTRIBUTIONS

The following is a Schedule of Tax Collections, and Distributions by taxing authorities for 2012

Receipts	
Sales tax and other collections	\$ 44,258,497
Interest on investments	<u>887</u>
Total	<u>\$ 44,259,384</u>
Disbursements	
Administrative Costs	<u>\$ 1,111,751</u>
Transfer and allocations of sales taxes to	
St Mary Parish	
Law Enforcement	\$ 970,189
Sanitation Fund	2,911,271
Debt Service Fund	2,011,026
Sales Tax Wards 1, 2, 3, 4, 7 and 10	416,844
Wards 5 & 8 Sales Tax Fund	323,662
Recreation District No 1	348,585
Wards 6 & 9 Sales Tax Fund	87,146
St Mary Parish School Board	17,604,290
City of Morgan City	5,883,689
City of Franklin	2,869,705
City of Patterson	2,280,129
Town of Berwick	1,868,812
Town of Baldwin	893,708
St Mary Parish Sheriff's Office	<u>2,513,782</u>
	<u>40,982,838</u>
Transfer of hotel/motel tax to	
St Mary Parish Tourist Commission	<u>614,386</u>
Transfer of Occupational License tax to	
St Mary Parish	553,677
City of Morgan City	613,996
City of Franklin	152,700
City of Patterson	86,142
Town of Berwick	107,682
Town of Baldwin	<u>36,212</u>
	<u>1,550,409</u>
Total	<u>\$ 44,259,384</u>

The taxes reflected are for sales and lodging stays that took place in the twelve months ending December 31, 2012. The related payments of sales taxes made to the taxing units were actually distributed from March 2012 through February 2013.

REQUIRED SUPPLEMENTAL INFORMATION

ST. MARY PARISH SALES AND USE TAX DEPT.

REQUIRED SUPPLEMENTAL INFORMATION

Schedule of Funding Progress for
the Department's Retiree Healthplan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)— Unit Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a]/c)
1/1/08	--	\$598,004	\$598,004	0%	\$371,610	160.9%
1/1/11	--	\$885,526	\$885,526	0%	\$439,474	201.5%
1/1/12	--	\$1,431,950	\$1,431,950	0%	\$408,456	350.6%

GENERAL SUPPLEMENTARY INFORMATION

ST MARY PARISH SALES AND USE TAX DEPT.

Schedule of Administrative Cost
For the Year Ended December 31, 2012

Salaries	\$ 408,456
Examination fees and costs	205,441
Group insurance	98,571
Commercial Insurance	3,143
Post employment benefit funding	
Insurance premium paid for retired employee	16,140
Funding for future benefits	118,860
Provision for compensated absences	
Retirement expense	58,170
Office supplies	16,213
Computer expense	14,892
Auto and travel expense	15,624
Postage	23,646
Rent	9,600
Telephone	8,439
Equipment rental and maintenance	3,790
Payroll taxes	6,115
Professional services	86,557
Due and subscriptions	6,213
Office equipment	<u>11,881</u>
	<u>\$ 1,111,751</u>

**INTERNAL ACCOUNTING CONTROL OVER FINANCIAL REPORTING
AND COMPLIANCE AND OTHER MATTERS SECTION**



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

Mr. Jeff LaGrange, Director
St. Mary Parish Sales and
Use Tax Dept
Morgan City, Louisiana

We have audited, 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, the financial statement of the St. Mary Parish Sales and Use Tax Dept (the Department), as of December 31, 2012, and the related notes to the financial statements which comprises the Department's basic financial statement and have issued our report thereon dated May 31, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Department's internal control over financial reporting (internal control) to determine our audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department'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, 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 Department's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Department's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is considered a public record and may be distributed by the Legislative Auditor.



CERTIFIED PUBLIC ACCOUNTANTS

May 31, 2013

ST MARY PARISH SALES AND USE TAX DEPT
STATE OF LOUISIANA

Schedule of Findings, Questioned Costs, and Federal Awards
For the Year Ended December 31, 2012

A SUMMARY OF AUDIT FINDINGS

- 1 The auditors' report expressed an unqualified opinion on the financial statement of the St Mary Parish Sales and Use Tax Dept
- 2 Report on Internal Control over Financial Reporting and Compliance and Other Matters

Internal Control over financial reporting

No findings are required to be reported for the year ended December 31, 2012

Compliance

There were no material instances of noncompliance or other matters noted during the audit of the financial statements

- 3 Federal Awards

This section is not applicable for the year ended December 31, 2012

- 4 Management Letter

No letter was issued

B FINDINGS FINANCIAL STATEMENT AUDIT

There are no findings to be reported for the year ended December 31, 2012

C FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS PROGRAMS

This section is not applicable for the year ended December 31, 2012

SUMMARY OF PRIOR YEAR FINDINGS AND RELATED CORRECTIVE ACTION
PREPARED BY ST MARY PARISH SALES AND USE TAX DEPT

INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL
STATEMENTS

Internal Control and Compliance

There were no findings in the prior year

INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

This section is not applicable