

RECEIVED
LEGISLATIVE AUDITOR
2000 JAN -3 AM 10: 28

**WASHINGTON PARISH SHERIFF
TAX COLLECTOR AGENCY FUND
Franklinton, Louisiana**

**Financial Statements and
Independent Auditor's Reports**

Year Ended June 30, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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: 1-19-00

RICHARD M. SEAL

CERTIFIED PUBLIC ACCOUNTANT • CERTIFIED GOVERNMENT FINANCIAL MANAGER

WASHINGTON PARISH SHERIFF
TAX COLLECTOR AGENCY FUND
Franklinton, Louisiana

Financial Statements With
Independent Auditor's Report
For the Year Ended June 30, 1999

C O N T E N T S

	<u>PAGE</u>
Independent Auditor's Report	1-2
Financial Statements:	
Statement of Assets and Liabilities - Cash Basis	3
Statement of Cash Receipts and Disbursements	4-5
Notes to the Financial Statements	6-9
Independent Auditor's Report on Compliance and on Internal Control Over Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	10-11
Supplemental Information:	
Year 2000 Disclosure	13
Schedule of Findings	14
Schedule of Prior Year Findings	15

RICHARD M. SEAL

CERTIFIED PUBLIC ACCOUNTANT ◊ CERTIFIED GOVERNMENT FINANCIAL MANAGER

INDEPENDENT AUDITOR'S REPORT

Honorable Duane Blair
Washington Parish Sheriff and Ex-Officio Tax Collector
Franklinton, Louisiana

I have audited the statements of assets and liabilities - cash basis and cash receipts and disbursements of the Tax Collector Agency Fund of the Washington Parish Sheriff as of and for the year ended June 30, 1999. These financial statements are the responsibility of the Washington Parish Sheriff and Ex-Officio Tax Collector's management. My responsibility is to express an opinion on the financial statements based on my audit.

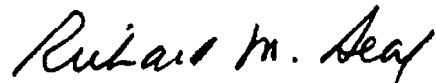
I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are 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 statements presentation. I believe that my audit provides a reasonable basis for my opinion.

As described in Note 1, the financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In my opinion, the financial statements referred to above fairly present, in all material respects, the assets and liabilities arising from cash transactions of the Tax Collector Agency Fund of the Washington Parish Sheriff as of June 30, 1999, and the cash receipts and disbursements for the year then ended.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 14, 1999 on my consideration of the Tax Collector Agency Fund of the Washington Parish Sheriff's internal control over financial reporting and my tests of compliance with certain provisions of laws, regulations, contracts, and grants.

My audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Tax Collector Agency Fund of the Washington Parish Sheriff's Office. I did not audit the information and do not express an opinion on it. In addition, I do not provide assurance that the Tax Collector Agency Fund of the Washington Parish Sheriff's Office's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Tax Collector Agency Fund does business are or will become year 2000 compliant.



Certified Public Accountant

Bogalusa, Louisiana
December 14, 1999

WASHINGTON PARISH SHERIFF
TAX COLLECTOR AGENCY FUND
Franklinton, Louisiana

Statement of Assets and Liabilities - Cash Basis
June 30, 1999

	Fiduciary Fund - Agency Fund
<u>ASSETS</u>	
Cash	\$ 525,639
Cash held in escrow account for ad valorem taxes paid under protest	<u>116,589</u>
Total assets	<u>\$ 642,228</u>
<u>LIABILITIES</u>	
Due to taxing bodies	<u>\$ 642,228</u>
Total liabilities	<u>\$ 642,228</u>

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH SHERIFF
TAX COLLECTOR AGENCY FUND
Franklinton, Louisiana

Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 1999

	Fiduciary Fund - <u>Agency Fund</u>
<u>UNSETTLED BALANCE AT JULY 1, 1999</u>	\$ 77,354
Transfer of Cash Bond Fund	198,811
Cash Receipts:	
Ad Valorem tax collected	
Current year	7,608,170
Prior year	28,502
Taxes paid under protest	461,248
Angling, hunting, and trapping licenses	130,507
Court fines and bond forfeitures	194,612
Probation fines	4,374
Parish liquor licenses	5,300
Civil and criminal costs	112,571
Refunds	2,659
State Revenue Sharing	941,500
Interest:	
Checking accounts	21,053
Delinquent taxes	1,457
Taxes paid under protest	5,107
Total cash receipts	9,517,060
SUBTOTAL	9,793,225
Cash Disbursements:	
State of Louisiana:	
Department of Wildlife and Fisheries	96,695
Forestry Department	19,257
Public Safety	834
Florida Parishes Juvenile	267,503
Louisiana Commission on Law Enforcement	6,161
Washington Parish:	
Parish Government	1,601,278
Assessor	476,724
Clerk of Court	32,599
Hospital Service District No. 1	617,425
School Board	1,735,679

(Continued)

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH SHERIFF
TAX COLLECTOR AGENCY FUND
Franklinton, Louisiana

Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 1999

	<u>Fiduciary Fund - Agency Fund</u>
Cash Disbursements (cont'd):	
Sheriff	\$ 1,045,622
Sheriff Commissions	17,881
Sheriff sale advertising	6,584
Twenty-second Judicial District:	
District Attorney	51,858
Indigent Defender Board	46,306
Crime Victims Reparation Board	10,476
D.C.P.F.	269
Child Support	20,338
Bogalusa City School Board	2,056,033
Pension Fund Payments	232,765
Refunds to taxpayers	23,941
St. Tammany Police Jury	3,790
Treasurer, Court Case Management	3,487
LA Traumatic Head & Spinal Injury	5,272
Redemptions	17,828
Fire Districts:	
Number 1	64,968
Number 2	78,406
Number 3	25,492
Number 4	32,562
Number 5	26,542
Number 6	36,304
Number 7	292,441
Number 8	125,522
Number 9	55,661
Municipalities:	
Franklinton	75
LA Tax Commission	3,218
Other	<u>13,201</u>
Total cash disbursements	<u>9,150,997</u>
<u>UNSETTLED BALANCES AT JUNE 30, 1999</u>	<u>\$ 642,228</u>

(Concluded)

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH SHERIFF
TAX COLLECTOR AGENCY FUND
Franklinton, Louisiana

Notes to the Financial Statements
For the Year Ended June 30, 1999

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem property taxes, parish licenses, state revenue sharing funds, angling, hunting, and trapping licenses, and fines, costs, and bond forfeitures imposed by the district court.

A. REPORTING ENTITY

Louisiana State Law requires the accounts of each parish tax collector to be audited annually. Accordingly, the accompanying financial statements reflects the financial activity of the sheriff related only to his responsibility as ex-officio parish tax collector. Amounts included in these financial statements are also included in the sheriff's annual general-purpose financial statements.

B. BASIS OF ACCOUNTING

The accounts of the parish tax collector are established to reflect the collections imposed by law, and the distributions pursuant to such law, and unsettled balances due various tax recipient bodies and others. The accompanying financial statements have been prepared on the cash basis of accounting, with collection recognized when received and distributions recognized when paid.

C. FUND ACCOUNTING

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

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.

WASHINGTON PARISH SHERIFF
TAX COLLECTOR AGENCY FUND
Franklinton, Louisiana
Notes to the Financial Statements

Fiduciary Fund

Agency Fund

The Washington Parish Sheriff's Tax Collector Agency Fund is categorized as a Fiduciary Fund and is operated as an Agency Fund Type. The Fund accounts for the collection and disbursements 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.

D. CASH

Cash includes amounts in demand deposits and interest-bearing demand deposits. Under state law, the Sheriff may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

NOTE 2. CASH AND CASH EQUIVALENTS

At June 30, 1999, the Sheriff's Tax Collector Agency Fund had cash (book balances) totaling \$642,228. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities were held in the name of the pledging fiscal agent bank in a holding or custodial bank that was mutually acceptable to both parties.

The Sheriff's Tax Collector Agency Fund accounts are grouped with those of the Sheriff's general funds for the purpose of securities pledged. At June 30, 1999, the Sales and Use Tax Collector Agency Fund had \$831,255 in deposits (collected bank balances). These deposits were fully secured from risk by federal deposit insurance and pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

WASHINGTON PARISH SHERIFF
TAX COLLECTOR AGENCY FUND
Franklinton, Louisiana
Notes to the Financial Statements

Even though the pledged securities were considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

Due to significantly higher cash flows during the ad valorem tax collection period, the Sheriff's deposits increase significantly; as a result, the amount of collateralized deposits at those times is substantially higher.

NOTE 3. STATE REVENUE SHARING FUNDS

The revenue sharing funds provided by Louisiana Legislature were distributed as follows:

Washington Parish:	
Police Jury	\$ 202,510
Assessor	68,147
School Board	147,339
Sheriff - commission	128,148
Bonner Creek Fire District No. 1	6,182
Pine Fire District No. 4	12,444
Angie Fire District No. 5	6,377
Varnado Fire District No. 6	5,871
Washington Parish Fire District No. 7	38,854
Springhill Fire District No. 8	2,802
Mt. Hermon Fire District No. 9	9,335
City of Bogalusa School Board	257,462
Florida Parishes Juvenile	38,070
Pension funds	<u>17,959</u>
Total	<u>\$ 941,500</u>

WASHINGTON PARISH SHERIFF
TAX COLLECTOR AGENCY FUND
Franklinton, Louisiana
Notes to the Financial Statements

NOTE 4. AD VALOREM TAXES PAID UNDER PROTEST

On December 22, 1998 Bell South Telecommunications paid ad valorem taxes amounting to \$461,248. Of this amount twenty-five percent (\$115,312) was paid under protest. The company filed written protest to the Louisiana Tax Commission. The Sheriff was advised that the company intended to pursue all available administrative and judicial appeals. The tax money was deposited in a separate escrow account which earned interest of \$1,277 to increase the balance in the account to \$116,589 at June 30, 1999.

NOTE 5. TRANSFER OF CASH BOND FUND

The financial statements of the Washington Parish Sheriff reflected a Bond Fund (agency fund) at June 30, 1998 amounting to \$198,811. On July 1, 1998 this fund was transferred to the Sheriff's Tax Collector Agency Fund and is included in these financial statements. The Sheriff felt that this would reflect a better presentation of the financial statements.

RICHARD M. SEAL

CERTIFIED PUBLIC ACCOUNTANT ◊ CERTIFIED GOVERNMENT FINANCIAL MANAGER

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Duane Blair
Washington Parish Sheriff and Ex-Officio Tax Collector
Franklinton, Louisiana

I have audited the financial statements of the Tax Collector Agency Fund of the Washington Parish Sheriff as of and for the year ended June 30, 1999, and have issued my report thereon dated December 14, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Tax Collector Agency Fund of the Washington Parish Sheriff's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Tax Collector Agency Fund of the Washington Parish Sheriff's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the Washington Parish Sheriff and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.



Certified Public Accountant

Bogalusa, Louisiana
December 14, 1999

SUPPLEMENTAL INFORMATION

WASHINGTON PARISH SHERIFF
TAX COLLECTOR AGENCY FUND

Year 2000 Disclosure
For the Year Ended June 30, 1999

Outside consultants have reviewed the hardware and software used by the Tax Collector Agency Fund of the Washington Parish Sheriff's Office. They have assured the Sheriff that he is Year 2000 compliant. It is anticipated that any additional costs will be insignificant, and the level of services provided will not be affected.

WASHINGTON PARISH SHERIFF
TAX COLLECTOR AGENCY FUND
Franklinton, Louisiana

SCHEDULE OF FINDINGS
For the Year Ended June 30, 1999

I have audited the financial statements of the Tax Collector Agency Fund of the Washington Parish Sheriff as of and for the year ended June 30, 1999, and have issued my report thereon dated December 14, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 1999 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses [] Yes [X] No Reportable Conditions [] Yes [X] No

Compliance

Compliance Material to Financial Statements [] Yes [X] No

Section II Financial Statements Findings

No current year findings were noted.

WASHINGTON PARISH SHERIFF
TAX COLLECTOR AGENCY FUND
Franklinton, Louisiana

SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 1999

Section I Internal Control and Compliance Material to the Financial Statements	
There were no prior year findings.	