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*WASHINGTON PARISH SHERIFF
SALES AND USE TAX COLLECTOR
AGENCY FUND
Franklinton, Louisiana*

*Financial Statement and
Independent Auditor's Report*

Year Ended June 30, 1997

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

Release Date 8/25/98

RICHARD M. SEAL

WASHINGTON PARISH SHERIFF
Franklinton, Louisiana
SALES AND USE TAX COLLECTOR
AGENCY FUND

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RICHARD M. SEAL

CERTIFIED PUBLIC ACCOUNTANT - CERTIFIED GOVERNMENT FINANCIAL MANAGER

INDEPENDENT AUDITORS REPORT

Honorable Duane Blair
Washington Parish Sheriff
Frankston, Louisiana

I have audited the statement of assets and liabilities - cash basis of the Sales and Use Tax Collector Agency Fund of the Washington Parish Sheriff as of and for the year ended June 30, 1997. This financial statement is the responsibility of the Washington Parish Sheriff's management. My responsibility is to express an opinion on the financial statement 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As described in Note 1, this financial statement was 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 statement referred to above fairly presents, in all material respects, the assets and liabilities arising from such transactions of the Sales and Use Tax Collector Agency Fund of the Washington Parish Sheriff as of June 30, 1997.

In accordance with Government Auditing Standards, I have also issued a report dated September 12, 1997 on my consideration of the Sales and Use 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.



Certified Public Accountant

Bogalusa, Louisiana
September 12, 1997

WASHINGTON PARISH SHERIFF
SALES AND USE TAX COLLECTOR
AGENCY FUND
Franklinton, Louisiana

Statement of Assets and Liabilities - Cash Basis
June 30, 1997

	<u>Fiduciary Fund - Agency Fund</u>
ASSETS	
Cash	\$ _____
Total assets	\$ _____
 LIABILITIES	
Bank overdraft	\$ 1,422
Overpayment to taxing bodies	<u>(1,422)</u>
Total liabilities	\$ _____

The accompanying notes are an integral part of this statement.

WASHINGTON PARISH SHERIFF
SALES AND USE TAX COLLECTOR
AGENCY FUND
Franklin, Louisiana

Notes to the Financial Statement
For the Year Ended June 30, 1997

INTRODUCTION

The Washington Parish Sales and Use Tax Centralization Commission, (the Commission) which was created pursuant to L. R. S. 33:2944.1, entered into a contract with Danna Blair, Sheriff and Ex-Officio Tax Collector for Washington Parish to collect sales and use taxes in Washington Parish beginning July 1, 1996.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

Governmental Accounting Standards Board Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The contract between the sheriff and the Washington Parish Sales and Use Tax Centralization Commission requires an annual financial audit of the receipts and disbursements of sales and use tax. Accordingly, the accompanying financial statements reflect the financial activity of the sheriff related only to his responsibility as Washington Parish Sales and Use Tax Collector. Amounts included in the accompanying financial statement are also included as an agency fund in the sheriff's general-purpose financial statements.

B. 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
SALES AND USE TAX COLLECTOR AGENCY FUND
Franklinton, Louisiana
Notes to the Financial Statement

Fiduciary Fund

Agency Fund

The Washington Parish Sales and Use 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 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 accompanying financial statement of the Sales and Use Tax Collector Agency Fund have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. This basis differs from generally accepted accounting principles in that receipts and related assets are generally recognized when received rather than when measurable and available for use, and expenditures are recognized when paid rather than when the obligation are incurred. The Governmental Accounting Standards Board is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

NOTE 2. SUMMARY OF RECEIPTS AND DISBURSEMENTS

A summary of receipts and disbursements follows:

Balance, beginning of year	\$	--
Receipts:		
Sales and use tax collected		11,634,549
Interest		<u> 873</u>
		11,637,815

WASHINGTON PARISH SHERIFF
 SALES AND USE TAX COLLECTION AGENCY FUND
 Prichard, Louisiana
 Notes to the Financial Statement

Disbursements:

Taxes and interest paid -	
Village of Angie	\$ 24,967
City of Bogalusa	4,864,547
City of Bogalusa School Board	1,481,225
Town of Franklinton	531,887
Washington Parish Police Jury	1,048,250
Washington Parish Sheriff	1,339,739
Village of Varnado	8,500
Washington Parish School Board	2,112,645
Collection fee - Washington Parish Sheriff	154,550
	<u>11,627,618</u>
Balance, end of year	\$ _____

NOTE B. TERMS OF THE CONTRACT

The contract requires that the sheriff perform those functions necessary to collect and adequately enforce the sales and use tax ordinances enacted by the participating taxing bodies and promptly remit the proceeds to the taxing bodies. It also requires that the sheriff furnish, at his own expense, all necessary equipment, employees, insurance, and an annual financial audit. The contract provides for a fee to be paid to the sheriff of 1.50% of the gross amount of sales and use tax actually collected. In addition to the fee, the sheriff may bill the taxing bodies for sales and use tax audits on a pro-rata basis according to a formula to be developed by the sheriff and the Commission.

RICHARD M. SEAL

CERTIFIED PUBLIC ACCOUNTANT - CERTIFIED GOVERNMENT FINANCIAL MANAGER

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

Honorable Duane Blair
Washington Parish Sheriff
Franklin, Louisiana

I have audited the financial statement of the Sales and Use Tax Collector Agency Fund of the Washington Parish Sheriff as of and for the year ended June 30, 1997, and have issued my report thereon dated September 15, 1997. 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 Sales and Use Tax Collector Agency Fund of the Washington Parish Sheriff's financial statement is 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 Rules and Use 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 statement 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 statement 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

Houma, Louisiana
September 12, 1997