

OFFICIAL
FILE COPY

DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

RECEIVED
LEGISLATIVE AUDITOR

2000 JAN -3 AM 10:15

ST. TAMMANY PARISH SHERIFF
TAX COLLECTOR AGENCY FUND
St. Tammany Parish, Louisiana

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

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 .

CONTENTS

	STATEMENT	PAGE
INDEPENDENT AUDITORS' REPORT		3
FINANCIAL STATEMENTS:		
TAX COLLECTOR AGENCY FUND:		
STATEMENT OF ASSETS AND LIABILITIES	A	5
STATEMENT OF COLLECTIONS, DISTRIBUTIONS, AND UNSETTLED BALANCES	B	6
NOTES TO THE FINANCIAL STATEMENTS		8
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>		11

Smith, Huval & Associates, L.L.C.

(A LIMITED LIABILITY COMPANY)

Certified Public Accountants

P.O. Box 1660

Covington, Louisiana 70434-1660

Samuel K. Smith, CPA
Patrick "Bryan" Huval, CPA

(504) 892-6633 - Covington
(504) 892-4666 - FAX

INDEPENDENT AUDITORS' REPORT

THE HONORABLE RODNEY J. STRAIN, JR.
ST. TAMMANY PARISH SHERIFF AND EX-OFFICIO TAX COLLECTOR
St. Tammany Parish, Louisiana

We have audited the financial statements of the Tax Collector Agency Fund of the St. Tammany Parish Sheriff as of June 30, 1999, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the St. Tammany Parish Sheriff and Ex-Officio Tax Collector's management. Our responsibility is to express an opinion on these financial statements based on our audit and the standards applicable to financial statement audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Except as discussed in the following paragraph we conducted our audit in accordance with generally accepted auditing standards. 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.

As described in Note A1, the St. Tammany Parish Sheriff is the Ex-Officio Tax Collector for the various taxing bodies within St. Tammany Parish, and the accompanying financial statements present information only on his activities as parish tax collector. Accordingly, the accompanying financial statements are not intended to and do not present the financial position and results of operations of the St. Tammany Parish Sheriff.

In our opinion, except for the omission of the information discussed in the preceding paragraph, the financial statements referred to in the first paragraph present fairly in all material respects, the assets and liabilities of the Tax Collector Agency Fund of the St. Tammany Parish Sheriff as of June 30, 1999, and the collections and disbursements for the year then ended, in conformity with generally accepted accounting principles.

The Honorable Rodney J. Strain, Jr.
St. Tammany Parish Sheriff and Ex-officio Tax Collector
St. Tammany Parish, Louisiana

The Tax Collector Agency Fund of the St. Tammany Parish Sheriff has not presented the disclosures required by Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, as amended by Governmental Accounting Standards Board Technical Bulletin 99-1, that the Governmental Accounting Standards Board has determined are necessary to supplement, although not be a part of, the basic financial statements. In addition, we do not provide assurance that the Tax Collector Agency Fund of the St. Tammany Parish Sheriff is or will become year 2000 compliant, that the Tax Collector Agency Fund of the St. Tammany Parish Sheriff's Year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Tax Collector Agency Fund of the St. Tammany Parish Sheriff does business are or will become year 2000 compliant.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 25, 1999 on our consideration of the Tax Collector Agency Fund of the St. Tammany Parish Sheriff's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Smith, Heval & Associates, L.L.C.

October 25, 1999

ST. TAMMANY PARISH SHERIFF
TAX COLLECTOR AGENCY FUND
St. Tammany Parish, Louisiana

STATEMENT OF ASSETS AND LIABILITIES

June 30, 1999

Assets	
Cash and cash equivalents (Note A3 and B)	\$ 10,605,803
Receivables (Note E)	15,651
Due from other governments	13,793
 TOTAL ASSETS	 <u>\$ 10,635,247</u>
 Liabilities	
Due to taxing bodies and others	<u>\$ 10,635,247</u>

The accompanying notes are an integral part of this statement.

ST. TAMMANY PARISH SHERIFF
TAX COLLECTOR AGENCY FUND
St. Tammany Parish, Louisiana

STATEMENT OF COLLECTIONS, DISTRIBUTIONS
AND UNSETTLED BALANCES

For the Year Ended June 30, 1999

<u>UNSETTLED BALANCES AT JULY 1, 1998</u>	\$ 8,492,535
 <u>COLLECTIONS</u>	
Ad Valorem taxes:	
Current year	72,029,833
Prior year	1,716,025
Angling, hunting, and trapping licenses	915,132
Parish licenses	1,360,175
Sales taxes	104,647,850
Tax notices, penalties, etc.	323,352
State revenue sharing (Note D)	3,803,050
Interest on:	
Sales taxes	189,442
Delinquent taxes	421,175
Investments	448,288
Research and other fees	5,479
 Total collections	 185,859,801
 SUBTOTAL	 \$ 194,352,336

The accompanying notes are an integral part of this statement.

ST. TAMMANY PARISH SHERIFF
TAX COLLECTOR AGENCY FUND
St. Tammany Parish, Louisiana

STATEMENT OF COLLECTIONS, DISTRIBUTIONS
AND UNSETTLED BALANCES
(Continued)

For the Year Ended June 30, 1999

SETTLEMENTS

Louisiana Department of Wildlife and Fisheries	\$ 685,825
Louisiana Tax Commission	8,663
Louisiana Forestry Commission	16,662
St. Tammany Parish:	
School Board	80,270,519
Police Jury	27,881,499
Sheriff	13,227,701
Fire Protection Districts	11,806,299
Mosquito Abatement District	1,634,721
Assessor	1,388,331
Recreation Districts	2,187,440
Tourist Commissions	554,611
Library	183,334
Waterworks Districts	151,110
Sewerage Districts	15,866
Drainage Districts	230,654
Road Lighting	80,485
Municipalities	27,803,540
Florida Parish Juvenile Center	1,239,921
Refunded to taxpayers	1,360,924
Pension funds	1,863,755
Courthouse	5,268,437
Jail	5,268,334
East St. Tammany Events District	16,897
Other fees	571,561
Total distributions	<u>183,717,089</u>

UNSETTLED BALANCES AT June 30, 1999

\$ 10,635,247

The accompanying notes are an integral part of this statement.

ST. TAMMANY PARISH SHERIFF
TAX COLLECTOR AGENCY FUND
St. Tammany Parish, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

June 30, 1999

NOTE A- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Sheriff is ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem property taxes, parish occupational licenses, state revenue sharing funds, and angling, hunting, and trapping licenses. The Sheriff also collects the sales tax for St. Tammany Parish and other taxing bodies within the parish.

1. Reporting Entity

Louisiana Revised Statute 24:517(D) requires that the accounts of each tax collector be audited annually. Accordingly, the accompanying statements reflect financial activity of the Sheriff relating only to his responsibility as ex-officio tax collector. Amounts included in this report are also included in the Sheriff's annual general purpose financial statements.

2. Basis of Accounting

The accounts of the tax collector are established to reflect the collections imposed by law, distributions pursuant to such law, and balances due various taxing bodies and others. The accompanying financial statements have been prepared on the modified accrual basis of accounting. Collections are recognized when they become both measurable and available and distributions reflected when the liability is incurred.

3. 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.

ST. TAMMANY PARISH SHERIFF
TAX COLLECTOR AGENCY FUND
St. Tammany Parish, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

June 30, 1999

NOTE B - CASH AND CASH EQUIVALENTS

At June 30, 1999, the Sheriff's Tax Collector Agency Fund has cash (book balances) totaling \$ 10,605,803. 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 are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

The Sheriff's tax collector accounts are grouped with those of the Sheriff's general funds for the purpose of securities pledged. At June 30, 1999, the Sheriff has 10,874,728 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$ 10,774,728 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are 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 C - TAXES PAID UNDER PROTEST

The unsettled balances due to taxing bodies and others at June 30, 1999, include taxes paid under protest, plus interest earned to date on the investment of these funds, totaling \$1,471,856. Additional taxes paid under protest, which were held by an outside law firm, total \$500,000. These monies are held in escrow pending resolution of the protest.

ST. TAMMANY PARISH SHERIFF
TAX COLLECTOR AGENCY FUND
St. Tammany Parish, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

June 30, 1999

NOTE D - STATE REVENUE SHARING FUNDS

The revenue sharing funds provided by Act 550 were distributed as follows:

St. Tammany Parish:	
School Board	\$ 1,772,433
Fire Protection Districts	801,327
Sheriff	403,018
Police Jury	248,095
Library	183,334
Mosquito Abatement District	104,053
Water Districts	91,589
Assessor	88,343
Recreation Districts	63,989
Pension funds	46,689
Other	<u>180</u>
Total	<u>\$ 3,803,050</u>

NOTE E - RECEIVABLES

As of June 30, 1999, receivables consisted of the following:

NSF Balances	\$ 10,455
General Fund	<u>5,196</u>
	<u>\$ 15,651</u>

Smith, Huval & Associates, L.L.C.

(A LIMITED LIABILITY COMPANY)

Certified Public Accountants

P.O. Box 1660

Covington, Louisiana 70434-1660

Samuel K. Smith, CPA
Patrick "Bryan" Huval, CPA

(504) 892-6633 - Covington
(504) 892-4666 - FAX

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

The Honorable Rodney J. Strain, Jr.
St. Tammany Parish Sheriff And Ex-Officio Tax Collector
St. Tammany Parish, Louisiana

We have audited the financial statements of the Tax Collector Agency Fund of the St. Tammany Parish Sheriff as of and for the year ended June 30, 1999, and have issued our report thereon dated October 25, 1999. We conducted our 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 St. Tammany Parish Sheriff's financial statements are free of material misstatement, we 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 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Tax Collector Agency Fund of the St. Tammany Parish Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

Smith, Huval & Associates, L.L.C.

October 25, 1999