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INDEPENDENT AUDITOR'S REPORT

September 20, 1996

Honorable Jack A. Stephens  
St. Bernard Parish Sheriff and  
Ex-Officio Tax Collector  
Chalmette, Louisiana

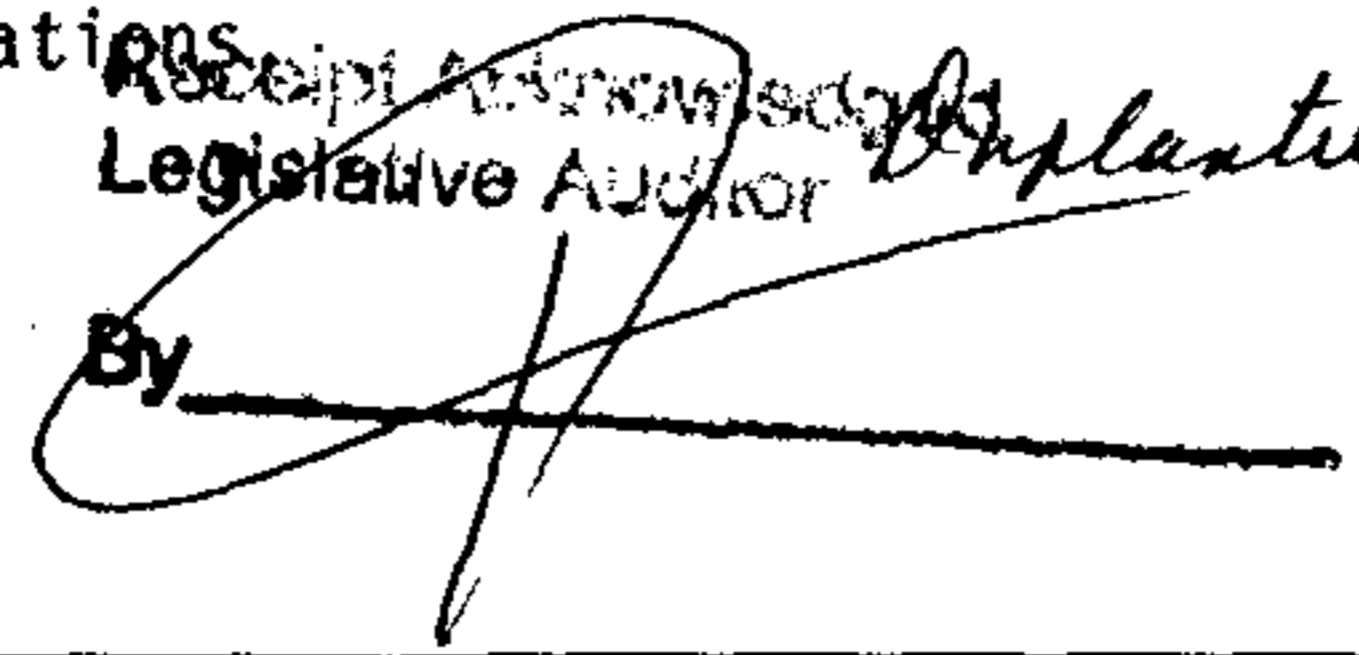
We have audited the statement of collections, distributions, and unsettled balances for the Tax Collector Agency Fund of the St. Bernard Parish Sheriff for the period from July 1, 1995 through June 30, 1996. This financial statement is the responsibility of the St. Bernard Parish Sheriff's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our 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 we 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. We believe that our audit provides a reasonable basis for our opinion.

As described in note 1, the St. Bernard Parish Sheriff is the ex-officio tax collector for the various taxing bodies within St. Bernard Parish, and the accompanying statement presents a summarization of transactions as parish tax collector. It does not include the cash receipts and disbursements of the St. Bernard Parish Sheriff's Office general fund. Furthermore, the accompanying statement of collections, distributions, and unsettled balances has been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the statement of collections, distributions and unsettled balances referred to in the first paragraph presents fairly, in all material respects, the tax collections, distributions, and unsettled balances of the Tax Collector Agency Fund of the St. Bernard Parish Sheriff, for the period from July 1, 1995 through June 30, 1996, on the basis of accounting described in note 1.

In accordance with *Government Auditing Standards*, we have also issued our reports dated September 20, 1996 on our consideration of the Tax Collector Agency Fund of the St. Bernard Parish Sheriff's internal control structure and on its compliance with laws and regulations.

Receipt Acknowledged  
Legislative Auditor  
By  Duplantier, Hrapmann, Hogan & Maher LLP

ST. BERNARD PARISH SHERIFF  
(AS EX-OFFICIO PARISH TAX COLLECTOR)  
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS AND  
REGULATIONS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

September 20, 1996

Honorable Jack A. Stephens  
St. Bernard Parish Sheriff  
and Ex-Officio Tax Collector  
Chalmette, Louisiana

We have audited the statement of collections, distributions, and unsettled balances of St. Bernard Parish Sheriff - Tax Collector Agency Fund of the Parish of St. Bernard, State of Louisiana, for the year ended June 30, 1996 and have issued our report thereon dated September 20, 1996.

We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

Compliance with laws and regulations applicable to the St. Bernard Parish Sheriff - Tax Collector Agency Fund is the responsibility of the management of St. Bernard Parish Sheriff - Tax Collector Agency Fund. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the St. Bernard Parish Sheriff - Tax Collector Agency Fund's compliance with certain provisions of laws and regulations. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under *Government Auditing Standards*.

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

*Duplantier, Hapman Hogan & Mabe LLP*

ST. BERNARD PARISH SHERIFF  
(AS EX-OFFICIO PARISH TAX COLLECTOR)  
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

September 20, 1996

Honorable Jack A. Stephens  
St. Bernard Parish Sheriff  
and Ex-Officio Tax Collector  
Chalmette, Louisiana

We have audited the statement of collections, distributions, and unsettled balances of the St. Bernard Parish Sheriff - Tax Collector Agency Fund as of and for the year ended June 30, 1996, and have issued our report thereon dated September 20, 1996.

We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

The management of the St. Bernard Parish Sheriff - Tax Collector Agency Fund is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of the financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statement of the St. Bernard Parish Sheriff - Tax Collector Agency Fund, for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

ST. BERNARD PARISH SHERIFF  
TAX COLLECTOR AGENCY FUND  
NOTES TO FINANCIAL STATEMENT  
JUNE 30, 1996

2. STATE REVENUE SHARING FUNDS AND AD VALOREM TAXES: (Continued)

Ad valorem taxes are assessed for the calendar year and become due on November 15 of each year and delinquent on December 31. The taxes are generally collected in December of the assessed year and January and February of the ensuing year. Disbursements to the tax districts are generally made from January through June of each year.

3. DEPOSITS:

All cash is deposited with local financial institutions in interest bearing accounts. Following are the components of the Tax Collector's deposits and collateral on deposits at June 30, 1996.

	<u>Cash</u>
Unsettled balances due to taxing bodies and others	<u>\$4,575,967</u>
Bank balances:	
a. Insured or collateralized with securities held by the entity or its agent in the entity's name	\$4,575,967
b. Collateralized with securities held by pledging financial institution's trust department or agent in the entity's name	--
c. Uncollateralized, including any securities held for the entity but not in the entity's name	--
d. Government backed pooled funds. The funds are held by a sub-custodian, managed by a separate money manager, and are in the name of the Tax Collector's custodian's trust department	--
TOTAL BANK BALANCE	<u>\$4,575,967</u>

4. SALES TAXES PAID UNDER PROTEST:

As of June 30, 1996, the Tax Collector had deposited in interest bearing bank accounts sales taxes paid under protest by a taxpayer totaling \$2,109,509. The funds are being held in the unsettled amounts pending the outcome of a suit filed by the taxpayer in which the taxpayer claims the taxes are not due.

5. CLAIM FOR REFUND OF OVERPAID SALES TAXES:

During the current fiscal year, a judgment was rendered and settlement reached in Tenneco vs. St. Bernard Parish. The amount of the settlement \$465,001, was paid directly to Tenneco by the St. Bernard Parish School Board and Parish government, each paying \$212,738. The St. Bernard Parish Sheriff's portion of the settlement totaled \$39,525.

ST. BERNARD PARISH SHERIFF  
TAX COLLECTOR AGENCY FUND  
STATEMENT OF COLLECTIONS, DISTRIBUTIONS AND UNSETTLED BALANCES  
FOR THE PERIOD FROM JULY 1, 1995 THROUGH JUNE 30, 1996

UNSETTLED BALANCES, JULY 1, 1995	\$ <u>4,115,816</u>
COLLECTIONS:	
Ad valorem taxes:	
Current year	12,598,845
Prior year	37,352
Angling, hunting, and trapping licenses	216,053
Parish licenses	861,812
Criminal costs and fines	657,543
Sales tax	26,565,477
Sales tax paid under protest (Note 4)	128,732
State revenue sharing (Note 2)	1,439,670
Interest on:	
Delinquent taxes	500
Time deposits	88,995
Tax notices, etc.	2,363
Total collections	<u>42,597,342</u>
TOTAL	<u>46,713,158</u>
DISTRIBUTIONS:	
Lake Borgne Basin Levee District	2,288,078
Louisiana Department of Wildlife and Fisheries	174,240
Louisiana Criminal Victim Relief Treasurer	6,843
Louisiana Commission of Law Enforcement	18,004
Louisiana Department of Treasury	3,929
Louisiana Tax Commission assessment fee	5,059
Louisiana State Police	5,150
St. Bernard Parish:	
Assessor	287,375
Clerk of Court	23,012
Parish government	15,542,979
School Board	13,650,493
Waterworks districts	603,731
Sewerage districts	995,971
Library	611,554
Sheriff	6,508,337
Port, Harbor, and Terminal District	567,245
Thirty-Fourth Judicial District:	
District Attorney	40,578
Indigent Defender Board	74,910
Criminal Court Fund	243,050
Pension funds	405,049
Restitution	1,321
Refunds to taxpayers	54,736
Professional fees	33,511
Miscellaneous	1,708
Total distributions	<u>42,146,863</u>
UNSETTLED BALANCES AT JUNE 30, 1996 DUE TO TAXING BODIES AND OTHERS	\$ <u>4,566,295</u>

The accompanying notes are an integral part of this statement.

ST. BERNARD PARISH SHERIFF  
(AS EX-OFFICIO PARISH TAX COLLECTOR)

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JUNE 30, 1996

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**R E P O R T**

**ST. BERNARD PARISH SHERIFF  
(AS EX-OFFICIO PARISH TAX COLLECTOR)**

**JUNE 30, 1996**

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 **DEC 11 1996**

ST. BERNARD PARISH SHERIFF  
TAX COLLECTOR AGENCY FUND  
NOTES TO FINANCIAL STATEMENT  
JUNE 30, 1996

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, sales and use taxes, parish occupational licenses, state revenue sharing funds, angling, hunting, and trapping licenses, and funds, costs, and bond forfeitures imposed by the district court.

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

The accounts of the tax collector are established to reflect the collections imposed by law, distributions pursuant to such law, and unsettled balances due various taxing bodies and others.

State law authorizes the Sheriff to deposit tax collections in a bank domiciled in the parish where the funds are collected.

Basis of Accounting:

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accompanying financial statement has been prepared on the cash basis of accounting, with collections recognized when received and distributions reflected when paid.

2. STATE REVENUE SHARING FUNDS AND AD VALOREM TAXES:

The revenue sharing funds provided by Act 37 of 1994 were distributed as follows:

Lake Borgne Basin Levee District	\$ 163,000
St. Bernard Parish:	
Parish government	341,494
School Board	248,841
Waterworks districts	57,294
Sewerage districts	43,170
Library	75,420
Port, Harbor, and Terminal district	125,000
Sheriff-commission	327,286
Pension funds	<u>58,165</u>
Total	<u>\$1,439,670</u>