

ST. JAMES PARISH SHERIFF  
Convent, Louisiana  
Notes to Financial Statement (Continued)

(4) Taxes Paid Under Protest

The unsettled balances at June 30, 1996, include \$19,660 of taxes paid under protest and interest earned to date on the investment of these funds. These funds are held pending resolution of the protest.

In accordance with Government Auditing Standards, we have also issued a report dated September 13, 1996 on our consideration of the Tax Collector Fund of the St. James Parish Sheriff's internal control structure and a report dated September 13, 1996 on its compliance with laws and regulations.

*Darnall, Sikes, Kolder, Frederick & Rainey*  
A Corporation of Certified Public Accountants

Lafayette, Louisiana  
September 13, 1996

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**ST. JAMES PARISH SHERIFF**  
**(AS EX-OFFICIO PARISH TAX COLLECTOR)**  
Convent, Louisiana

Financial Report

Year Ended 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 04 1996

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P. Troy Courville, CPA  
Stephen R. Dischler, MBA, CPA

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF A FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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The Honorable Willy J. Martin, Jr.  
St. James Parish Sheriff as  
Ex-Officio Tax Collector  
Convent, Louisiana

We have audited the Tax Collector Fund (agency fund) financial statement of the St. James Parish Sheriff for the year ended June 30, 1996, and have issued our report thereon dated September 13, 1996. Our report states that the statement of collections, distributions and unsettled balances has been prepared on a cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles.

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 St. James Parish Sheriff, as Ex-Officio Tax Collector, 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 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 Tax Collector 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

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## INDEPENDENT AUDITOR'S REPORT

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The Honorable Willy J. Martin, Jr.  
St. James Parish Sheriff as  
Ex-Officio Tax Collector  
Convent, Louisiana

We have audited the accompanying financial statement of the Tax Collector Fund (agency fund) of the St. James Parish Sheriff for the year ended June 30, 1996 as listed in the table of contents. This financial statement is the responsibility of the St. James Parish Sheriff as Ex-Officio Tax Collector. 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 more fully in Note 1, the accompanying financial statement presents information only on the Tax Collector Fund (agency fund). Further, the accompanying statement of collections, distributions, and unsettled balances has been prepared on a cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the collections, distributions, and unsettled balances of the Tax Collector Fund of the St. James Parish Sheriff for the year ended June 30, 1996, on the basis of accounting described in Note 1.



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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF A FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Willy J. Martin, Jr.  
St. James Parish Sheriff as  
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We have audited the Tax Collector Fund (agency fund) financial statement of the St. James Parish Sheriff as of and for the year ended June 30, 1996, and have issued our report thereon dated September 13, 1996. Our report states that the statement of collections, distributions and unsettled balances has been prepared on a cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles.

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, regulations, and contracts applicable to the Tax Collector Fund is the responsibility of the St. James Parish Sheriff. As part of obtaining reasonable assurance about whether the financial statement is free of material misstatement, we performed tests of the Sheriff's compliance with certain provisions of laws, regulations, and contracts. However, the objective of our audit of the financial statement 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 under Government Auditing Standards.

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

*Darnall, Sikes, Kolder, Frederick & Rainey*

A Corporation of Certified Public Accountants

Lafayette, Louisiana  
September 13, 1996

MEMBER OF  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

**FINANCIAL STATEMENT**

ST. JAMES PARISH SHERIFF  
 Convent, Louisiana  
 Tax Collector Agency Fund

Statement of Collections, Distributions, and Unsettled Balances  
 Year Ended June 30, 1996

Unsettled balances, July 1, 1995	<u>\$ 26,938</u>
Collections:	
Ad valorem taxes	17,870,553
Payment in lieu of taxes	1,482,576
State revenue sharing	456,948
Sporting licenses	32,713
1996 Motor Vehicle property tax	5,886
Interest on -	
Delinquent taxes	3,481
Taxes paid under protest	524
Time deposit	30,161
Redemptions	4,077
Refunds	3,035
Tax notices, etc.	6,028
Louisiana Tax Commission	3,661
Total collections	<u>19,899,643</u>
Total	<u>19,926,581</u>
Distributions:	
Louisiana Department of Agriculture	6,500
Louisiana Department of Treasury	876,975
Louisiana Department of Wildlife and Fisheries	27,860
Louisiana Tax Commission	3,660
St. James Parish -	
Council	9,342,469
School Board	5,557,366
Clerk of Court	1,049
Sheriff	3,280,788
Assessor	188,173
Municipalities	102,848
Refunds	4,713
Redemptions	1,421
Pension funds	503,564
Advertising costs	1,929
Total distributions	<u>19,899,315</u>
Unsettled balances, June 30, 1996, due to taxing bodies and others	<u>\$ 27,266</u> =====

The accompanying notes are an integral part of this statement.



ST. JAMES PARISH SHERIFF  
 Convent, Louisiana  
 Notes to Financial Statement

(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, state revenue sharing funds and sporting licenses.

Louisiana Revised Statute 24:517(D) requires that the accounts of each tax collector be audited annually. Accordingly, the accompanying financial statement reflects 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.

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

(2) Interest-Bearing Deposits

State law authorizes the Sheriff to deposit tax collections in a bank domiciled in the parish where the funds are collected. At June 30, 1996, the Sheriff has interest-bearing deposits totaling \$27,266 (book balances). These deposit balances of \$93,739 (bank balances), representing unsettled tax collections, are fully secured through federal deposit insurance.

(3) State Revenue Sharing Funds

The revenue sharing funds provided by Act 956 of 1993 were distributed as follows:

Louisiana Department of Treasury	\$ 39,164
St. James Parish:	
Council	159,489
School Board	92,432
Sheriff -	
Law Enforcement District	57,529
Commission	87,604
Municipalities	6,039
Pension Funds	<u>14,691</u>
 Total	 \$456,948 =====

**INTERNAL CONTROL AND COMPLIANCE**

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 statement and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statement.

#### Inadequate Segregation of Accounting Functions

##### Finding:

Due to the small number of employees, the Sheriff did not have adequate segregation of functions within the accounting system.

##### Recommendation:

Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

##### Response:

No response is considered necessary.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. We believe the reportable condition described above is a material weakness. This condition was considered in determining the nature, timing and extent of the procedures to be performed in our audit of the financial statement of the Tax Collector Fund, for the year ended June 30, 1996.

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

*Darnall, Sikes, Kolder, Frederick & Rainey*

A Corporation of Certified Public Accountants

Lafayette, Louisiana  
September 13, 1996

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