

Honorable Wayne F. McDivitt

August 20, 1996

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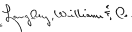
For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

1. Collections/Cash Receipts
2. Distributions/Cash Disbursements

For all of the control categories listed above, 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific 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 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 structure and its operation that we consider to be material weaknesses as defined above.

This report is intended solely for the use of the Calcasieu Parish Tax Collector and the Louisiana Legislative Auditor and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Calcasieu Parish Tax Collector, is a matter of public record.



August 20, 1996



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Wayne F. McElhenn
Calcasieu Parish Sheriff and
Ex-Officio Tax Collector
Lake Charles, LA 70601

We have audited the financial statement of the Calcasieu Parish Tax Collector, a component unit of the Calcasieu Parish Sheriff, as of and for the year ended June 30, 1996, and have issued our report thereon dated August 23, 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. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit of the financial statement of the Calcasieu Parish Tax Collector for the year ended June 30, 1996, we considered its internal control structure 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 structure.

The management of the Calcasieu Parish 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 on the cash basis of accounting. 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.

Calcasieu Parish Tax Collector

NOTES TO FINANCIAL STATEMENT - CONTINUED

Year ended June 30, 1996

NOTE F - SERVICE AGREEMENT

The Sheriff as ex-officio tax collector of the Parish has service agreements with the City of Lake Charles and its subdivisions and the City of Sulphur and its subdivisions to collect ad valorem taxes and gross fees. In addition, effective November 9, 1996, the Sheriff signed an agreement with the City of Westlake to collect ad valorem taxes and gross fees of the City of Westlake and its subdivisions. These agreements are under the authority of Article VII, Section 14 of the Louisiana Constitution of 1974. Fees charged to compensate for the increased costs of collecting ad valorem taxes of the City of Lake Charles, the City of Sulphur, and the City of Westlake are paid annually and are included in the Sheriff's general purpose fund.

NOTE G - PENSION FUNDS

The office of Legislative Auditor annually prepares a statement showing amounts to be deducted from current year tax collections for contributions to Pension Funds. For the 1995 tax year this amount was \$1,943,810. In addition, each year a portion of the State Revenue Sharing is allocated for retirement contributions. For the 1995 tax year, this amount was \$117,124. Below is a breakdown of the total dollars that were disbursed to the various Pension Funds.

Agency Retirement Fund	\$ 188,407
Clark's of Court Retirement and Relief Fund	188,407
District Attorney's Retirement System	156,725
Municipal Employee's Retirement System	188,407
Parochial Employer's Retirement System of Louisiana	188,407
Registrar of Voters Employee Retirement System	38,222
Sheriff's Pension and Relief Fund	376,818
Teachers' Retirement System	<u>253,611</u>
	\$2,065,814

Calcasieu Parish Tax Collector

NOTES TO FINANCIAL STATEMENT - CONTINUED

Year ended June 30, 1996

NOTE D - STATE REVENUE SHARING FUNDS

The revenue sharing funds provided by Act 1320 of 1995 were distributed as follows:

Calcasieu Parish:	
Police jury	\$ 1,528,040
Police jury (for district attorney)	153,827
School board	926,257
Sheriff	
Law enforcement districts	374,913
Commission	445,479
Assessor	72,402
Vinson port, harbor and terminal district	3,151
Lake Charles port, harbor and terminal district	88,215
Assessors' Retirement Fund	10,630
Clerks of Court Retirement and Relief Fund	10,630
District Attorneys' Retirement System	8,504
Municipal Employees' Retirement System	10,630
Parochial Employees' Retirement System	10,630
Registrar of Voters' Employees' Retirement System	2,323
Sheriff Pension and Relief Fund	31,250
Teachers' Retirement System	<u>42,518</u>
	\$3,708,134

NOTE E - TAXES PAID UNDER PROTEST

The unaffiliated balance at June 30, 1996 includes \$6,932 of taxes paid under protest, plus interest earned to date on the investment of these funds. This amount is represented as follows:

Taxpayer	Tax Year Under Protest	Unaffiliated Balance
Tri-J Industrial Construction	1984	\$6,932

These funds are being held pending resolution of the protest.

Calcasieu Parish Tax Collector
NOTES TO FINANCIAL STATEMENT

Year ended June 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Sheriff's financial statements would be misleading if data of the organization was not included because of the nature or significance of the relationship, the Calcasieu Parish Tax Collector was determined to be a component unit of the Calcasieu Parish Sheriff, which is a component unit of the Calcasieu Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Calcasieu Parish Tax Collector and do not present information on the Sheriff, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

NOTE B - ADVANCED AD VALOREM TAXES

Act 512 of the 1988 Regular Session of the Louisiana Legislature restricted Louisiana Revised Statute 47:1561.2, which requires inventory taxes of motor vehicle dealers to be paid on a monthly basis. The monthly collections are deposited in interest bearing accounts and are distributed with the December tax collections each year. The amount of advanced auto-dealers ad valorem taxes collected as of June 30, 1996 totaled \$150,058. As of June 30, 1996, interest accumulated from advanced deposits and unsettled interest totaled \$2,796.

NOTE C - CASH

Under state law, the Calcasieu Parish Sheriff and Tax Collector's deposits must be secured by federal deposit insurance and/or the pledge of securities owned by the financial institution as collateral. As June 30, 1996 the Calcasieu Parish Tax Collector had deposits totaling \$756,778. These deposits were covered by federal depository insurance and by collateral pledged in the Calcasieu Parish Sheriff and Tax Collector's name from the respective financial institutions. Interest earned on deposits during the year totaled \$377,970.

Calcasieu Parish Tax Collector

NOTES TO FINANCIAL STATEMENT

Year ended June 30, 1996

NOTE A - 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. He is responsible for the collection and distribution of ad valorem property taxes, state revenue sharing funds, angling licenses, hunting licenses, trapping licenses, fines, costs, and bond forfeitures imposed by the state district court.

Louisiana Revised Statute 24:513(B) requires that the accounts of each tax collector be examined 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 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 unvested 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.

As the governing authority of the parish, for reporting purposes, the Calcasieu Parish Police Jury is the financial reporting entity for Calcasieu Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Calcasieu Parish Sheriff for financial reporting purposes. The basic criterion of including a potential component unit within the reporting entity is financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Sheriff to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Sheriff.
2. Organizations for which the Sheriff does not appoint a voting majority but are fiscally dependent on the Sheriff.

Columbus Parish Tax Collector
**STATEMENT OF COLLECTIONS, DISTRIBUTIONS,
 AND UNSETTLED BALANCES**

Year ended June 30, 1995

UNSETTLED BALANCES AT JUNE 30, 1993	\$	608,342
COLLECTIONS		
Ad valorem taxes	\$ 75,629,027	
Final part ad valorem taxes	243,000	
Advanced ad valorem taxes	171,188	
Amplify, bonding and trapping licenses	546,634	
Advanced deposits for amplify, bonding and trapping licenses	189,817	
Interest on:		
Employment taxes	87,324	
Payroll taxes	108	
Instruments	171,079	
Advanced taxes	2,790	
State revenue sharing	3,703,154	
Refunds and reimbursements	578,643	
Tax returns, etc.	37,713	
Overage	<u>52</u>	
		<u>\$ 81,013,882</u>
		83,156,625
DISTRIBUTIONS		
Louisiana Department of Wildlife and Fisheries	505,702	
Louisiana Forestry Commission	17,808	
Louisiana Tax Commission	13,588	
Columbus Parish:		
Police jury	34,687,042	
School board	25,206,759	
Drainage districts	1,780,658	
Waterworks districts	1,141,844	
Recreation districts	5,251,498	
Fire protection districts	185,000	
Park, harbor, and terminal districts	1,075,000	
Airport district	268,175	
Sheriff	9,211,682	
Assessment district	873,903	
Crematorium district	5,536,129	
City of Lake Charles	4,629,834	
City of Sulphur	988,311	
City of Westlake	73,960	
Prison Bonds	2,983,034	
Refunds and reimbursements	<u>308,333</u>	
		<u>\$ 81,013,882</u>
		81,795,738
UNSETTLED BALANCES AT JUNE 30, 1995		

The accompanying notes are an integral part of this statement.

Calcasieu Parish Tax Collector

STATEMENT OF COLLECTIONS, DISTRIBUTIONS,
AND UNSETTLED BALANCES

Year ended June 30, 1996

UNSETTLED BALANCES AT JUNE 30, 1995

\$ 620,742

COLLECTIONS

Sid valorem taxes	\$ 75,856,637	
First year ad valorem taxes	243,993	
Advanced ad valorem taxes	194,000	
Stamping, listing and trapping licenses	548,656	
Advance deposits for stamping, listing and trapping licenses	109,317	
Interest on:		
Delinquent taxes	37,324	
Process taxes	138	
Investments	177,993	
Advances/taxes	2,790	
Multi-revenue sharing	3,713,134	
Refunds and recaptions	508,443	
Tax returns, etc.	57,715	
Overage	<u> 30</u>	
		<u>\$1,113,884</u>
		\$2,186,623

DISTRIBUTIONS

Louisiana Department of Wildlife and Fisheries	\$15,700	
Louisiana Forestry Commission	17,008	
Louisiana Tax Commission	18,980	
Calcasieu Parishes:		
Police pay	24,607,842	
School board	26,214,780	
Drainage districts	2,388,637	
Waterworks districts	1,441,244	
Fireworks districts	3,351,498	
Fire protection districts	148,993	
Port, harbor, and terminal districts	3,376,000	
Airport district	360,175	
Sheriff	2,243,842	
Assessment district	979,213	
Chenieret Authority	2,106,129	
City of Lake Charles	4,629,324	
City of Thibodaux	958,311	
City of Woodlake	79,866	
Parishes funds	2,000,899	
Refunds and recaptions	<u> 388,453</u>	
		<u>\$1,113,815</u>

UNSETTLED BALANCES AT JUNE 30, 1996

\$ 726,738

The accompanying notes are an integral part of this statement.

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STANDARD
FORM NO. 280 (REV. 10-1-65)

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FINANCIAL STATEMENT AND
AUDITOR'S REPORT

CALCASTEU PARISH TAX COLLECTOR
Lake Charles, Louisiana

Year ended June 30, 1966

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or authorized 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 18 1966



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INDEPENDENT AUDITORS' REPORT

Honorable Wayne F. McDivern
Calcasieu Parish Sheriff and
Ex-Officio Tax Collector
Lake Charles, Louisiana

We have audited the statement of collections, distributions and unsertled balances of the Calcasieu Parish Tax Collector, a component unit of the Calcasieu Parish Sheriff, as of and for the year ended June 30, 1996. This financial statement is the responsibility of the Calcasieu Parish Tax Collector'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 misstatements. 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 A, the Calcasieu Parish Sheriff is the ex-officio tax collector for the various taxing bodies within Calcasieu Parish, and the accompanying statement presents information only on his activities as parish tax collector. Further, the accompanying statement of collections, distributions, and unsertled balances has been prepared on a cash basis of accounting, without recognition of receivables and payables relating to tax collection activity. Accordingly, the accompanying statement is not intended to present the financial position and results of operations of the Calcasieu Parish Tax Collector in accordance with generally accepted accounting principles.

In our opinion, the financial statement referred to in the first paragraph presents fairly, in all material respects, the collections, distributions, and unsertled balances of the Calcasieu Parish Tax Collector as of and for the year ended June 30, 1996 on the basis of accounting described in Note A.

In accordance with Government Auditing Standards, we have also issued a report dated August 29, 1996 on our consideration of the Calcasieu Parish Tax Collector's internal control structure and a report dated August 29, 1996 on its compliance with laws and regulations.

August 29, 1996

Langley, Williams & Co.