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JEFFERSON DAVIS PARISH SHERRIFF
(An Ex-Officio Parish Tax Collector)
Bossier, Louisiana

Financial Statements and Independent
Auditors' Reports
As of and for the 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 auditor, or reviewed, orally 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 3-26-97

JEFFERSON DAVIS PARISH SHERIFF
(An Ex-Officio Parish Tax Collector)
Leveaux, Louisiana

*Financial Statements and Independent
Auditors' Reports*
As of and For the Year Ended June 30, 1996

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INDEPENDENT AUDITORS' REPORT

HONORABLE RICHARD EDWARDS, JR.
JEFFERSON DAVIS PARISH SHERIFF AND
EX-OFFICIO PARISH TAX COLLECTOR
Bossieres, Louisiana

We have audited the accompanying statement of assets and liabilities arising from cash transactions of the Tax Collector Agency Fund of the Jefferson Davis Parish Sheriff, a component unit of the Jefferson Davis Parish Police Jury, as of June 30, 1996, and the related statement of collections, distributions, and unencumbered balances for the year then ended. These financial statements are the responsibility of management of the Jefferson Davis Parish Sheriff. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. These 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 disclosed in note 1, the Jefferson Davis Parish Sheriff is the ex-officio tax collector for the various taxing bodies within Jefferson Davis Parish, and the accompanying statements present information only in his individual as parish tax collector. Therefore, these financial statements are not intended to present fairly the financial position and results of operations of the Jefferson Davis Parish Sheriff in conformity with generally accepted accounting principles. Furthermore, the accompanying statements have been prepared on the basis of cash receipts and cash disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the accompanying financial statements present fairly, in all material respects, the assets and liabilities arising from cash transactions of the Tax Collector Agency Fund of the Jefferson Davis Parish Sheriff as of June 30, 1996, and the collections, distributions, and unencumbered balances of the Tax Collector Agency Fund for the year then ended, on the basis of accounting described in note 1.

Krielow, Gillespie & Co.
Certified Public Accountants

Bossieres, Louisiana
November 6, 1996

JEFFERSON DAVIS PARISH SHERIFF
Jennings, Louisiana
TAX COLLECTOR AGENCY FUND

Statement of Assets and Liabilities Arising
From Cash Transactions
As of June 30, 1996

ASSETS

Cash

\$ 205,820

LIABILITIES

Due to taxing bodies and others

\$ 205,820

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH SHERIFF
Jennings, Louisiana
TAX COLLECTOR AGENCY FUND

Statement of Collections, Distributions,
and Unsettled Balances
For the Year Ending June 30, 1996

UNSETTLED BALANCES AT JUNE 30, 1995,	
DUE TO TAXING BODIES AND OTHERS	<u>\$ 196,599</u>
COLLECTIONS	
Ad valorem taxes	\$ 7,091,767
State taxes:	
Focacity tax	4,557
LIC Assessment Service Fee	3,210
Procedural taxes	70,492
Interest earned on:	
Deposits, net	17,024
Delinquent taxes	14,133
State revenue sharing	649,685
Spontaneous licenses	196,227
Parish income	125,899
Tax rebates	14,485
Refunds	1,298
Auto dealer inventory tax, net activity	5,260
Other	296
TOTAL COLLECTIONS	<u>\$ 8,471,886</u>
TOTAL	<u>\$ 8,668,472</u>
DISTRIBUTIONS	
Louisiana Department of Agriculture and Forestry	\$ 3,985
Louisiana Department of Wildlife and Fisheries	336,685
Louisiana Tax Commission	3,296
Jefferson Davis Parish:	
Police Jury	1,579,587
Drainage Districts	588,712
Library District	483,275
Municipal District	664,585
Waterworks District	121,408
School Board	2,970,760
Assessment District	183,892
Sheriff	591,884
Municipalities	76,218
Pension funds	213,588
Refunds	1,678
TOTAL DISTRIBUTIONS	<u>\$ 8,032,622</u>
UNSETTLED BALANCES AT JUNE 30, 1996,	
DUE TO TAXING BODIES AND OTHERS	<u>\$ 282,850</u>

The accompanying notes are an integral part of this statement.

**JEFFERSON DAVIS PARISH SHERIFF
TAX COLLECTOR AGENCY FUND
Bossier, Louisiana**

Notes to the Financial Statements

INTRODUCTION

As provided by Article V, Section 27 of the Louisiana Constitution of 1904, the sheriff is the ex-officio tax collector of the parish and is responsible for collecting and distributing ad valorem property taxes, parish occupational licenses, state revenue sharing funds, and sporting licenses.

The sheriff and ex-officio parish tax collector's office is located in the Jefferson Davis Parish Courthouse in Bossier, Louisiana. The sheriff employs four deputies in the tax department, whose responsibilities include the mailing of property tax notices to and collecting ad valorem property taxes from individuals, businesses, et cetera, who own real or movable property, subject to ad valorem taxation in the parish.

For the 1993 tax roll, there are 24,651 real property and movable property assessments totaling \$168,505,678, with homestead exemptions at \$35,833,668 representing 21 per cent and taxpayer taxable values at \$132,672,010, representing 78 per cent of the total roll.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accounts of the parish tax collector are established to reflect the collections imposed by law, distributions pursuant to such law, and credits/balances due various taxing bodies and others. The accompanying financial statements have been prepared on the cash basis of accounting, with collections recognized when received and distributions reflected when paid. As such, the accompanying financial statements do not reflect the receivables and related payables associated with tax collection activities.

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Jefferson Davis Parish Police Jury is the financial reporting entity for Jefferson Davis 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 Jefferson Davis Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury 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 police jury.

JEFFERSON DAVIS PARISH SHERIFF
TAX COLLECTOR AGENCY FUND
Bossier, Louisiana

Notes to the Financial Statements

2. Organizations for which the police jury does not appoint a voting majority but are financially dependent on the police jury.
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 office is considered to have a significant relationship with the police jury and exclusion of its data from the financial statements of the police jury would create misleading or incomplete financial statements, the sheriff's office was determined to be a component unit of the Jefferson Davis Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the sheriff relative to his responsibility as ex-officio parish tax collector and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Louisiana Revised Statute 24:213(C)(1)(B) requires the accounts of each parish tax collector to be audited annually. Accordingly, the accompanying financial statements reflect financial activity of the sheriff relating only to his responsibility as ex-officio parish tax collector. Amounts included in these financial statements are also included in the sheriff's annual general purpose financial statements.

C. CASH

State law authorizes the sheriff to deposit tax collections in a bank domiciled in the parish where the funds are collected. Furthermore, the sheriff may invest these deposits in certificates of deposit or other investments permitted by law.

2. CASH

At June 30, 1996, the sheriff has \$195,850 (bank balances) on deposit with a local financial institution in interest-bearing demand accounts. These deposit balances, representing uncollected tax collections, are fully secured by federal deposit insurance.

3. STATE REVENUE SHARING FUNDS

The revenue sharing funds provided by Act 503 of 1993 were distributed as follows:

Jefferson Davis Parish:		
Police Jury	\$	151,169
School Board		288,592
Library		50,621
Assessor's Office		18,080
Dwelling districts		5,116
Sheriff		65,420
Municipalities		78,399
Pension Funds		<u>14,827</u>
Total	\$	<u>668,085</u>

JEFFERSON DAVIS PARISH SHERIFF
TAX COLLECTOR AGENCY FUND
Bossier, Louisiana

Notes to the Financial Statements

4. TAXES PAID UNDER PROTEST

The amount of delinquent tax on taxes levied and colleted in the agency funds at June 30, 1996, as reflected in the Statement of Assets and Liabilities arising from cash transactions, include \$65,458 of taxes paid under protest, plus interest earned to date on the investment of these funds, totaling \$4,325. These funds are held pending resolution of the protest.

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

**HONORABLE RICHARD EDWARDS, JR.,
JEFFERSON DAVIS PARISH SHERIFF AND
EX-OFFICIO PARISH TAX COLLECTOR
Luling, Louisiana**

We have audited the accompanying statement of assets and liabilities arising from cash transactions of the Tax Collector Agency Fund of the Jefferson Davis Sheriff, a component unit of the Jefferson Davis Parish Police Jury, as of June 30, 1996, and the related statement of collections, distributions, and uncollected balances for the year ended, and have issued our report thereon dated November 8, 1996.

We have 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.

The management of the Jefferson Davis Parish Sheriff, 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 basis of cash receipts and cash disbursements which is a comprehensive basis of accounting other than 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 statements of the Tax Collector Agency Fund of the Jefferson Davis Parish Sheriff, 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.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions 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 statements.

The tax collector office is not using pre-numbered duplicate documents to record the business of business. This use of pre-numbered documents is required to insure the completeness of recording of transactions for a period and decrease the probability of errors or omissions occurring and not being detected on a timely basis. We recommend that the tax collector issue pre-numbered duplicate documents for all licenses issued.

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 accounts 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.

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. However, we believe none of the reportable conditions described above is a material weakness.

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

Kistner, Gillespie & Co.
Certified Public Accountants

Bozings, Louisiana
November 6, 1996

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED
ON AN AUDIT OF GENERAL PURPOSE OR BASIS
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENTAL AUDITING STANDARDS**

**HONORABLE RICHARD EDWARDS, JR.,
JEFFERSON DAVIS PARISH SHERIFF AND
EX-OFFICIO PARISH TAX COLLECTOR**
Jennings, Louisiana

We have audited the accompanying statement of assets and liabilities arising from cash transactions of the Tax Collector Agency Fund of the Jefferson Davis Parish Sheriff, a component unit of the Jefferson Davis Parish Police Jury, as of June 30, 1996, and the related statement of collections, distributions, and uncollected balances for the year then ended, and have issued our report thereon dated November 5, 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.

Compliance with laws, regulations, contracts, and grants applicable to the Jefferson Davis Parish Sheriff's Tax Collector Agency Fund, is the responsibility of the Sheriff's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Sheriff's compliance with certain provisions of laws, regulations, contracts, and grants. 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 under Government Auditing Standards.

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

Kulow, Galloway & Co.
Certified Public Accountants

Jennings, Louisiana
November 5, 1996