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**ST. CHARLES PARISH SHERIFF
(AS EX-OFFICIO PARISH TAX COLLECTOR)
Hahnville, Louisiana**

Financial Report

Year Ended June 30, 1997

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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.

Revised Date: FEB 2 5 1998

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EVANS, BUTLER, ARCELAUX & BOWEN

CERTIFIED PUBLIC ACCOUNTANTS
267 PASTOR STREET
MONROE, LOUISIANA 70501
NEW ORLEANS
754 0907497

MONROE, LOUISIANA, CPAs

CPAs 1988

JAMES I. BUTLER, CPA

S. PAUL ARCELAUX, CPA

PATRICK L. BOWEN, CPA

MEMBERS

MEMBER, CPAS SOCIETY OF LA

CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Honorable Gregory Champagne
St. Charles Parish Sheriff as
Ex-Officio Tax Collector
Hahnville, Louisiana

We have audited the accompanying statement of assets and liabilities and the statement of collections, distributions, and unaffiliated balances of the Tax Collector Agency Fund of the St. Charles Parish Sheriff as of and for the year ended June 30, 1997. These financial statements are the responsibility of the St. Charles Parish Sheriff as Ex-Officio Tax Collector. 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 and the standards for financial audits contained in 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 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 more fully in Note 1, the accompanying statements present information only on the Tax Collector Agency Fund. Further, the accompanying statements have 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 accompanying financial statements referred to above present fairly, in all material respects, the assets and liabilities and the collections, distributions, and unaffiliated balances of the Tax Collector Agency Fund of the St. Charles Parish Sheriff as of and for the year ended June 30, 1997, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated December 3, 1997, on our consideration of the St. Charles Parish Sheriff's internal control over financial reporting and our tests of its compliance with provisions of laws, regulations, contracts and grants.

James I. Butler, Arceaux + Bowen
Hahnville, Louisiana
December 3, 1997

FINANCIAL STATEMENTS

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana
Tax Collector Agency Fund

Statement of Assets and Liabilities
June 30, 1997

ASSETS

Cash in interest-bearing bank accounts	\$ <u>26,793</u>
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LIABILITIES

Unsettled balances due to taxing bodies and others	\$ <u>26,793</u>
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The accompanying notes are an integral part of this statement.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana
Tax Collector Agency Fund

Statement of Collections, Distributions, and Unsettled Balances
Year Ended June 30, 1997

Unsettled balances at July 1, 1996	\$ <u>2,164,300</u>
Collections:	
Ad valorem property taxes	63,881,715
State revenue sharing	983,088
Parish occupational licenses	752,768
Interest earned	425,114
Sporting licenses	121,142
Other	<u>53,990</u>
Total collections	<u>69,198,017</u>
Total available for distributions	<u>71,362,087</u>
Distributions:	
St. Charles Parish:	
Assessor	651,303
Clerk of Court	1,036
Council	15,594,854
Drainage districts	43,077
Hospital service district	2,786,762
School Board	34,600,423
Sheriff	11,474,361
State of Louisiana:	
Department of Treasury	2,644,847
Department of Wildlife and Fisheries	104,616
Tax Commission	156,959
Refunds and redemptions	4,898,957
Pension funds	<u>1,000,000</u>
Total distributions	<u>75,205,924</u>
Unsettled balances at June 30, 1997	\$ <u>78,783</u>

The accompanying notes are an integral part of this statement.

ST. CHARLES PARISH SHERIFF
Mahnville, Louisiana
Tax Collector Agency Fund

Notes to financial statements

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 revenues sharing funds, parish occupational licenses, and angling, hunting and trapping licenses.

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.

The accounts of the tax collector are established to reflect the collections imposed by law, distributions pursuant to such law, and uncollected 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.

2. Interest-Bearing Bank 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, 1997, the Sheriff had interest-bearing bank deposits (book balances) totaling \$76,700, representing unsettled tax collections. Deposit balances (bank balances) at June 30, 1997 were \$ 294,168 and were fully secured by federal deposit insurance and the pledge of securities held by the custodial bank in the name of the fiscal agent bank. Even though the pledged securities are considered uncollateralized according to standards issued by the Governmental Accounting Standards Board (Category 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 by the Sheriff that the fiscal agent has failed to pay deposited funds upon request.

ST. CHARLES PARISH SHERIFF
Hahnville, Louisiana
Tax Collector Agency Fund

Notes to financial statements - Continued

3. State Revenue Sharing Funds

The state revenue sharing funds provided by Act 39 of 1996 which were received during the year ended June 30, 1997 were allocated among the taxing bodies as follows:

St. Charles Parish:	
Assessor	\$ 90,000
Community Service	38,874
Council	198,305
Hospital Service District	35,755
School Board	275,265
Sheriff:	
Law Enforcement District	159,400
Commission on collection	103,095
Lafourche Basin Levee District	45,810
Pension funds	19,125
Pochartrain Levee District	42,811
Total	\$ <u>965,090</u>

4. Unsettled Balances

The unsettled balances due to taxing bodies and others at June 30, 1997 consist of, \$59,497 in redemption costs, \$6,977 in sporting licenses, and \$9,309 of other unsettled balances.

COMPLIANCE AND INTERNAL CONTROL

LIKE, BUTLER, ARCEBIAUX & BOWEN

CERTIFIED PUBLIC ACCOUNTANTS
2010 BAYVIEW DRIVE
BAYTOWN, LOUISIANA 70017
(504) 297-0443
FAX (504) 261-0447

DONALD L. BIRD, CPA
(1928 - 1988)
DONALD BUTLER, CPA
M. PAUL ARCEBIAUX, CPA
PATRICK J. BOWEN, CPA

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Gregory Champagne
St. Charles Parish Sheriff
Hahnville, Louisiana

We have audited the financial statements of St. Charles Parish Sheriff as of and for the year ended June 30, 1997, and have issued our report thereon dated December 3, 1997. 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 St. Charles 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 St. Charles 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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect St. Charles Parish Sheriff's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition, which was also included in the report of the previous auditor in connection with their audit of the financial statements for the year ended June 30, 1996, is described in the following paragraph.

Reportable Condition - The sheriff does not have an adequate segregation of duties within

its department. Because of the limited number of personnel involved in the accounting and financial reporting functions it may not be possible to achieve a complete segregation of duties.

Recommendation - A study should be made to determine whether there could be a shifting of duties among existing employees to provide a greater segregation of duties.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is a material weakness.

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

Louis, Bethler, Andrews & Brown
Harris, Louisiana
December 3, 1977