

100-104-107-13



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

Franklin, Louisiana

Financial Report

Year Ended June 30, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, entity and other appropriate public officials. This 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: May 24 1999

## TABLE OF CONTENTS

	Page
<b>Independent Auditor's Report</b>	<b>1-3</b>
<b>FINANCIAL STATEMENT</b>	
Statement of Collections, Distributions, and Unsettled Balances	4
Notes to financial statement	3-6
<b>INTERNAL CONTROL, COMPLIANCE AND OTHER INFORMATION</b>	
<b>Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards</b>	<b>8-9</b>
Summary Schedule of Prior Year Findings	10
Schedule of Findings and Questioned Costs	12
Management's Corrective Action Plan for Current Year Findings	13



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an independent member firm affiliated with the

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**INDEPENDENT AUDITORS' REPORT**

The Honorable David A. Nagin  
 St. Mary Parish Sheriff/Ex  
 Tax-Officer Tax Collector  
 Franklin, Louisiana

We have audited the accompanying statement of collections, distributions, and unutilized balances of the Tax Collector Fund (Agency Fund) of the St. Mary Parish Sheriff for the year ended June 30, 1989 as listed in the table of contents. This financial statement is the responsibility of the St. Mary Parish Sheriff as Ex-Officer 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. These 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 statement presents information only on the Tax Collector Fund (Agency Fund) and is not intended to present fairly the financial position and results of operations of the St. Mary Parish Sheriff. Further, the accompanying statement of collections, distributions, and unutilized balances has been prepared on a cash basis of accounting which is a non-comprehensive basis of accounting other than generally accepted accounting principles.

Governmental Accounting Standards Board Technical Bulletin 98-1, Disclosures about Year 2000 Issues, requires disclosure of certain matters regarding the year 2000 issue in order for financial statements to be in conformity with generally accepted accounting principles. Such required disclosures include:

- any significant amount of resources committed to make computer systems and other electronic equipment year 2000-compliant;
- a general description of the year 2000 issue, including a description of the stages of work in process or completed as of the end of the reporting period to make computer systems and other electronic equipment critical to conducting operations year 2000-compliant; and
- the additional stages of work necessary for making the computer systems and other electronic equipment year 2000-compliant.

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1989 Schedule of Fees  
 Schedule of Fees, 1989-1991  
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The Tax Collector Fund of the St. Mary Parish Sheriff has omitted such disclosures. We do not provide assurance that the Tax Collector Fund is or will be year 2000 ready, that the Tax Collector Fund's year 2000 implementation efforts will be successful in whole or in part, or that parties with which the Tax Collector Fund does business will be year 2000 ready.

In our opinion, except for the omission of the information discussed in the preceding paragraph, the accompanying financial statement referred to above presents fairly, in all material respects, the collections, distributions, and essential balances of the Tax Collector Fund of the St. Mary Parish Sheriff for the year ended June 30, 1999, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated August 25, 1999 on our consideration of the Tax Collector Fund of the St. Mary Parish Sheriff's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

*Orrenell Silver & Associates*  
A Corporation of Certified Public Accountants

Morgan City, Louisiana  
August 25, 1999

## FINANCIAL STATEMENT

**ST. MARY PARISH SHERIFF**  
**INDEPENDENT TAX COLLECTOR**  
 Franklin, Louisiana

**TAX COLLECTOR AGENCY FUND**

Statement of Collections, Distributions  
and Unaudited Balances  
Year Ended June 30, 1999

Unaudited balances, July 1, 1998	<u>\$ 1,128,118</u>
<b>Collections:</b>	
Ad valorem taxes	25,841,789
State revenue sharing	1,207,867
Spending accounts	204,949
Facility-occupational licenses	104,857
Interest on:	
Delinquent taxes	21,596
Deposits of taxes, licenses, etc.	58,689
Deposits of taxes paid under protest	37,282
Misc. interest, etc.	<u>11,321</u>
Total collections	<u>26,755,603</u>
<b>Total</b>	<u>27,883,721</u>
<b>Distributions:</b>	
Louisiana Department of Wildlife and Fisheries	182,248
Archdiocese (Baton Rouge District)	21,921
Timberland Fee District	4,893
Louisiana Tax Commission	5,158
<b>St. Mary Parish:</b>	
Council	1,968,488
Library	1,857,567
School Board	9,746,837
Sewerage District	1,918,877
Waterworks District	1,048,471
Hospital District	1,118,967
Recreation District	822,337
Fire Protection District	451,548
Sewerage District	899,872
Harbor and Terminal District	942,730
Mosquito Control District No. 1	20,418
Sheriff	3,151,859
Assessment District	696,676
Parsons Funds	<u>658,078</u>
Total distributions	<u>26,755,182</u>
Unaudited balances, June 30, 1999, due to leasing facilities and others	<u>\$ 1,128,180</u>

The accompanying notes are an integral part of this statement.

ST. MARY PARISH SHERIFF  
(AN EX-OFFICIO TAX COLLECTOR)  
Franklin, Louisiana

Notes to Financial Statement

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As provided by Article V, Section 21 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, parish occupational licenses, state revenue sharing funds, and angling, hunting, and trapping licenses.

Louisiana Revised Statute 24:17024 requires that the accounts of each tax collector be audited annually. Accordingly, the accompanying statement reflects financial activity of the Sheriff relating only to his responsibility as an ex-officio tax collector. Accounts included in this report are also included in the Sheriff's annual Tax Collector Fund 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 statement has been prepared on the cash basis of accounting, with collections recognized when received and distributions collected when paid.

**NOTE 2 INTEREST-BEARING DEPOSITS**

State law authorizes the Sheriff to deposit tax collections in a bank chartered in the parish where the funds are collected. At June 30, 1999, the Sheriff has interest-bearing deposits (bank balances) totaling \$3,724,982, representing uncollected tax collections. Deposit balances (bank balances) at June 30, 1999 of \$1,343,478 are fully secured through federal deposit insurance and/or securities pledged by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized Category 31 under the provisions of GASB Statement No. 3, Louisiana Revised Statute 38:3229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

**ST. MARY PARISH SHERRY**  
**(AS EX-OFFICIO TAX COLLECTOR)**  
**Franklin, Louisiana**

**Notes to Financial Statement**

**NOTE 3 STATE REVENUE SHARING FUNDS**

The revenue sharing funds provided by Act 63 of 1999 received during the year were allocated among the taxing bodies as follows:

Ambulance Basic Levy District	\$ 1,978
St. Mary Parish	
Council	118,264
Library	68,243
School Board	457,834
Hospital Districts	73,283
Waterworks Districts	31,058
Drainage Districts	118,572
Harbor and Terminal Districts	84,852
Spartan	180,016
Assessment District	65,381
Pension Funds	<u>15,567</u>
Total	<u>\$1,212,661</u>

**NOTE 4 UNSETTLED BALANCES**

The unsettled cash balance at June 30, 1999 of \$1,724,882 consists of the following:

Ad valorem taxes	\$ 72,881
Protest taxes	1,455,414
Sporting licenses	23,007
Parish licenses	18,768
Interest earned on deposits and delinquent taxes	31,089
Interest earned on protest taxes	104,838
Tax rollers, costs, etc.	<u>6,002</u>
	<u>\$1,724,882</u>

## INTERNAL CONTROL AND COMPLIANCE



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& Frederick**

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**Independent Auditor's Report on Compliance and  
on Internal Control over Financial  
Reporting Based on an Audit of  
Financial Statements Performed in  
Accordance with Government Auditing Standards**

Honorable David A. Nagin  
St. Mary Parish Sheriff  
St. Charles Parish Tax Collector  
Franklin, Louisiana

We have audited the statement of collections, distributions and unapplied balances of the Tax Collector Fund (agency fund) of the St. Mary Parish Sheriff, as of and for year ended June 30, 1998, and have issued our report thereon dated August 15, 1998, which was qualified due to the omission of the year 2000 disclosures that are required by Governmental Accounting Standards Board Technical Bulletin 98-1, Disclosures About Year 2000 Issues. We have 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 the financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these 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 the St. Mary 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 statement and not to provide assurance on the internal control over financial reporting. However, we noted one 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 judgment, would adversely affect the St. Mary Parish Sheriff's ability to record, process, summarize and report financial data consistent with the assertions of management in the statement of collections, distributions and unapplied balances. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as item 98-1.

7/29/98 10:58 AM

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This report is intended solely for the information and use of management and others within the organization and is not intended to be and should not be used by anyone other than those specified parties.

*Dorrell Allen & Associates*  
A Corporation of Certified Public Accountants

Monroe City, Louisiana  
August 25, 1998

## OTHER SUPPLEMENTARY INFORMATION

ST. MARY PARISH SHERIFF  
(AS EX-OFFICIO TAX COLLECTOR)  
Franklin, Louisiana  
Tax Collector Agency Fund

Summary Schedule of Prior Year Findings  
Year Ended June 30, 1999

**99-1 Finding: Inadequate Segregation of Accounting Functions**

**Status:** This finding is unresolved. See current year finding 99-1.

ST. MARY PARISH SHERIFF  
(AS EX-OFFICIO TAX COLLECTOR)  
Franklin, Louisiana  
Tax Collector Agency Fund

Schedule of Findings and Questioned Costs  
Year Ended June 30, 1999

Part 1: Summary of Auditor's Results

**FINANCIAL STATEMENT**

*Auditor's Report – Financial Statement*

A qualified opinion has been issued on the statement of collections, distributions, and uncollected balances of the Tax Collector Fund of the St. Mary Parish Sheriff's Office and for the year-ended June 30, 1999.

*Reportable Conditions – Financial Statement*

One reportable condition in internal control over financial reporting was disclosed during the audit of the financial statement and is shown as item 99-1 in Part 2 and is considered a material weakness.

*Material Noncompliance – Financial Reporting*

There were no material instances of noncompliance noted during the audit of the financial statement.

**FEDERAL AWARDS**

This section is not applicable for the fiscal period ended June 30, 1999.

Part 2: Findings Relating to an Audit in Accordance with Government Auditing Standards

**99-1            Inadequate Segregation of Accounting Personnel**

**Finding:**

Due to the small number of accounting personnel, 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.

Part 3: Findings and Questioned Costs Relating to Federal Programs

At June 30, 1999, the Tax Collector Fund of the St. Mary Parish Sheriff's Office did not meet the requirements to have a single audit in accordance with OMB Circular A-133, therefore this section is not applicable.

SE. MARY FARMINGTON  
(AS EX-OFFICIO TAX COLLECTOR)  
Franklin, Louisiana  
Tax Collector Agency Fund

Management's Corrective Action Plan For Current Year Findings  
Year Ended June 30, 1999

Response to Finding 98-1:

No response is considered necessary.