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JEFFERSON DAVIS PARISH SHERIFF
(As Ex-Officio Parish Tax Collector)
Jennings, Louisiana

Financial Statements and Independent
Auditor's Reports
As of and for the 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 audited, 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 ~~FEB 09 2000~~

JEFFERSON DAVIS PARISH SHERIFF
(As Ex-Officio Parish Tax Collector)
Jennings, Louisiana

Financial Statements and Independent
Auditor's Reports
As of and for the Year Ended June 30, 1999

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INDEPENDENT AUDITOR'S REPORT

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

Jennings, Louisiana

I 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, 1999, and the related statement of collections, distributions, and unsettled balances for the year ended. These financial statements are the responsibility of management of the Jefferson Davis Parish Sheriff. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

As described 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 on his activities as parish tax collector. Therefore, these financial statements are not intended to present fairly the financial position and result 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 my 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, 1999, and the collections, distributions, and unsettled balances of the Tax Collector Agency Fund for the year then ended, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, I have also issued my report dated December 15, 1999, on my consideration of the Jefferson Davis Parish Sheriff's Tax Collector Agency Fund's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.


Certified Public Accountant

Jennings, Louisiana
December 15, 1999

**JEFFERSON DAVIS PARISH SHERIFF
(As Ex-Officio Parish Tax Collector)
TAX COLLECTOR AGENCY FUND**

Statement of Assets and Liabilities Arising
From Cash Transactions
As of June 30, 1999

ASSETS

Cash	\$ 262,743
Due from sheriff's general fund	<u>3</u>

Total Assets	<u>\$ 262,746</u>
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LIABILITIES

Due to taxing bodies and others	\$ 49,455
Due to sheriff's general fund	13,344
Taxes and interest held under protest	<u>199,947</u>

Total Liabilities	<u>\$ 262,746</u>
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The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH SHERIFF
(As Ex-Officio Parish Tax Collector)
Jennings, Louisiana
TAX COLLECTOR AGENCY FUND

Statement of Collections, Distributions, And Unsettled Balances
For the Year Ending June 30, 1999

UNSETTLED BALANCES AT JUNE 30, 1998	\$ 365,852
COLLECTIONS:	
Ad valorem taxes	9,179,522
State taxes:	
Forestry tax	4,521
LTC Assessment Service Fee	3,518
Protested taxes	75,137
Interest earned on:	
Deposits, net	10,302
Delinquent taxes	13,817
State revenue sharing	648,902
Sportsman licenses	173,543
Parish licenses	143,093
Tax notices	18,977
	10,271,332
 TOTAL COLLECTIONS	 10,271,332
 TOTAL AVAILABLE FOR DISTRIBUTION	 10,637,184
DISTRIBUTIONS:	
Louisiana Department of Agriculture and Forestry	4,026
Louisiana Department of Wildlife and Fisheries	148,461
Louisiana Tax Commission	4,436
Jefferson Davis Parish:	
Police Jury	1,876,143
Drainage Districts	591,124
Library District	597,224
Mosquito District	822,676
Waterworks District	124,324
School Board	3,427,032
Assessment District	238,083
Sheriff Office	1,216,652
Municipalities	1,080,556
Pension Funds	237,560
Refunds	6,141
	10,374,438
 TOTAL DISTRIBUTIONS	 10,374,438
 UNSETTLED BALANCES AT JUNE 30, 1999	 \$ 262,746

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH SHERIFF
(As Ex-Officio Parish Tax Collector)
Jennings, Louisiana
TAX COLLECTOR AGENCY FUND

Notes to the Financial Statements

INTRODUCTION

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 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 Jennings, 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 1998 tax roll, there are 24,878 real property and movable property assessments totaling \$120,929,610, with homestead exemptions at \$ 28,332,835, representing 23 per cent and taxpayer taxable values at \$ 92,596,775, representing 77 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 unsettled 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

The sheriff is an independently elected official; however, the sheriff is fiscally dependent on the Jefferson Davis Parish Police Jury. The police jury maintains and operates the parish court house in which the sheriff's office is located and provides funds for equipment and furniture of the sheriff's office. Because the sheriff is fiscally dependent on the police jury, the sheriff 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

**JEFFERSON DAVIS PARISH SHERIFF
(As Ex-Officio Parish Tax Collector)
Jennings, Louisiana
TAX COLLECTOR AGENCY FUND**

Notes to the Financial Statements

governmental unit, or the other governmental units that comprise the financial reporting entity.

Louisiana Revised Statute 24:13(K)(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 tax collector to deposit tax collections in a bank domiciled in the parish where the funds are collected. Furthermore, the tax collector may invest these deposits in certificates of deposit or other investments permitted by law.

2. CASH

At June 30, 1999, the tax collector has cash (book balances) totaling \$262,743 as follows:

Cash on hand	\$	0
Demand deposits		0
Interest-bearing demand deposits		262,743
Certificates of deposits		0
Total	\$	262,743

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1999, the tax collector has \$282,786 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$182,786 of pledged securities held by the custodial bank in the name of the fiscal bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 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

**JEFFERSON DAVIS PARISH SHERIFF
(As Ex-Officio Parish Tax Collector)
Jennings, Louisiana
TAX COLLECTOR AGENCY FUND**

Notes to the Financial Statements

being notified by the tax collector that the fiscal agent has failed to pay deposited funds upon demand.

3. STATE REVENUE SHARING FUNDS

The revenue sharing funds provided by Act 1452 of 1997 were distributed as follows:

Jefferson Davis Parish:			
Police Jury		\$	154,251
School Board			283,065
Library			32,076
Assessor's Office			10,000
Drainage districts			9,601
Sheriff			65,832
Municipalities			79,157
Pension funds			14,920
			648,902
Total		\$	648,902

4. TAXES PAID UNDER PROTEST

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 1999, as reflected in the Statement of Assets and Liabilities arising from cash transactions, include \$192,206 of taxes paid under protest, plus interest earned to date on the investment of these funds, totaling \$ 7,741. These funds are held pending resolution of the protest.

5. YEAR 2000 ISSUE

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the Tax Collector's operations as early as fiscal year 1999.

The Tax Collector has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 issue and that are necessary to conducting operations. The Tax Collector has identified the following systems requiring Year 2000 remediation:

- Financial reporting, tax collection, payroll - the Tax Collector is currently remediating its financial reporting, tax collection, and payroll system. Validation and testing of these systems have yet to be completed. No contracted amounts are committed to this project as of June 30, 1999, however, the Tax Collector estimates that remediation will cost approximately \$1,500.

**JEFFERSON DAVIS PARISH SHERIFF
(As Ex-Officio Parish Tax Collector)
Jennings, Louisiana
TAX COLLECTOR AGENCY FUND**

Notes to the Financial Statements

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Tax Collector is or will be Year 2000 ready, that the Tax Collector's remediation efforts will be successful in whole or in part, or that parties with whom the Tax Collector does business will be Year 2000 ready.

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

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

Honorable Richard Edwards, Jr.
Jefferson Davis Parish Sheriff and
Ex-Officio Parish Tax Collector
Jennings, Louisiana

I have audited the financial statements of the Tax Collector Agency Fund of the Jefferson Davis Parish Sheriff, a component unit of the Jefferson Davis Parish Police Jury, as of and for the year ended June 30, 1999, and have issued my report thereon dated December 15, 1999. I conducted my 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 Jefferson Davis Parish Sheriff's Tax Collector Agency Fund's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

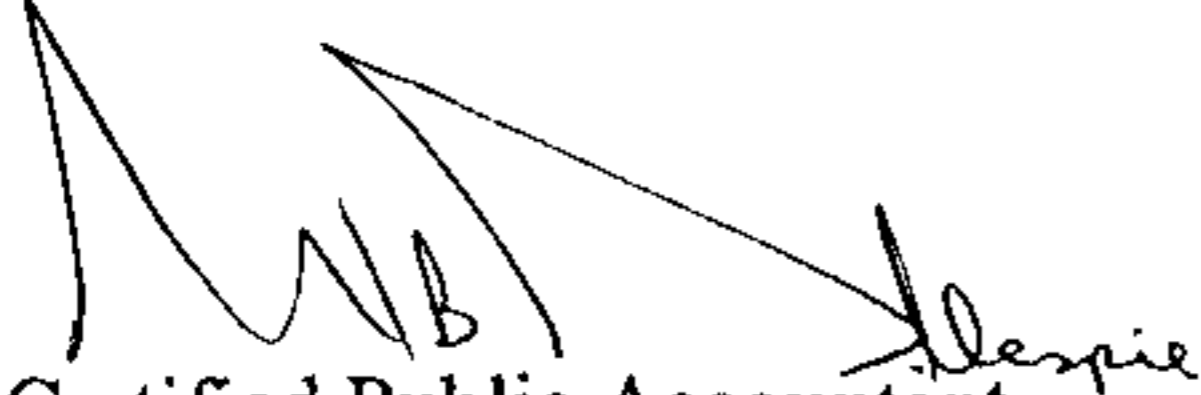
Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Jefferson Davis Parish Sheriff's Tax Collector Agency Fund's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect the Jefferson Davis Parish Sheriff's Tax Collector Agency Fund's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 99-1.

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. My 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, of the reportable condition described above I consider items 99-1 to be a material weakness.

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

This report is intended for the information of the Sheriff acting in his capacity as Ex-Officio Parish Tax Collector, management, and the Louisiana Legislative Audit Advisory Council. However, this report is a matter of public record and its distribution is not limited.


Certified Public Accountant

Jennings, Louisiana
December 15, 1999

JEFFERSON DAVIS PARISH SHERIFF
(As Ex-Officio Parish Tax Collector)
Jennings, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 1999

We have audited the financial statements of Jefferson Davis Parish Sheriff's Tax Collector Agency Fund as of and for the year ended June 30, 1999, and have issued our report thereon dated December 15, 1999. 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. Our audit of the financial statements as of June 30, 1999 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

- a. Report on Internal Control and Compliance Material to the Financial Statements
Internal Control
Material Weaknesses Yes No Reportable Conditions Yes No
Compliance Material to Financial Statements Yes No

- b. Federal Awards
Internal Control
Material Weaknesses Yes No Reportable Conditions Yes No
Type of Opinion On Compliance Unqualified Qualified
For Major Programs Disclaimer Adverse
Are their findings required to be reported in accordance with Circular A-133, Section .510(a)?
 Yes No

c. *Identification of Major Programs:*

CFDA Number (s)	Name of Federal Program (or Cluster)
Not applicable	

Dollar threshold used to distinguish between Type A and Type B Programs: \$ _____
Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? Yes No

Section II Financial Statement Findings

Current Year Findings

Finding 99-1 Collection of Delinquent Insurance License Taxes:

Condition: Delinquent insurance license taxes are not being actively pursued for collection. Also, status of uncollected license taxes are not being documented.

Cause of Condition: Auditee lacks procedures for following-up on insurance companies who have not paid their premium license tax.

JEFFERSON DAVIS PARISH SHERIFF
(As Ex-Officio Parish Tax Collector)
Jennings, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 1999

Effect of Condition: The effect of this condition resulted in the auditee not collecting license taxes in excess of approximately \$5,000. Although the majority of uncollected license taxes appear to be due to errors made by the State Commissioner of Insurance's office in allocating premiums to the Parish, I was unable to find documentation or correspondence verifying this fact.

Recommendation: I recommend that detailed written procedures be developed by the Tax Collector for use by personnel charged with the responsibility of duties in this area. These procedures should include the development of annual delinquent notification procedures. Also, non-responsive companies should be identified and reported to the State Commissioner of Insurance's office on an annual basis to insure that appropriate action is taken against those companies who do not pay the required license taxes. In addition, someone in an oversight position should monitor compliance with these procedures.

Auditee Response: We will implement the auditor's recommendation and adopt procedures in this area in order to improve collection efforts and in-house documentation.

Section III Federal Award Findings and Questioned Costs

No findings to report.

JEFFERSON DAVIS PARISH SHERIFF
(As Ex-Officio Parish Tax Collector)
Jennings, Louisiana
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 1999

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/ Partial Corrective Action Taken</u>
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SECTION I - Internal Control and Compliance Material to the Financial Statements:

No findings reported.

SECTION II - Internal Control and Compliance Material to Federal Awards:

No findings reported.

SECTION III - Management Letter:

No findings reported.

JEFFERSON DAVIS PARISH SHERIFF

(As Ex-Officio Parish Tax Collector)

Jennings, Louisiana

**Management's Corrective Action Plan for Current Year Audit Findings
For the Year Ended June 30, 1999**

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
SECTION I - Internal Control and Compliance Material to the Financial Statements:				
99-1	Collection of delinquent insurance license taxes	We plan to adopt procedures for improvement of collection efforts and in-house documentation of delinquent license tax status.	Sheriff Richard Edwards, Jr.	06/30/00

SECTION II - Internal Control and Compliance Material to Federal Awards:

No findings reported.

SECTION III - Management Letter:

No findings reported.