

3174

99800360

OFFICIAL  
FILE COPY

**OFFICIAL  
FILE COPY**  
**DO NOT SEND OUT**

3174

(Xerox necessary  
copies from this  
copy and PLACE  
BACK in FILE)

R E P O R T

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

JUNE 30, 1998

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.

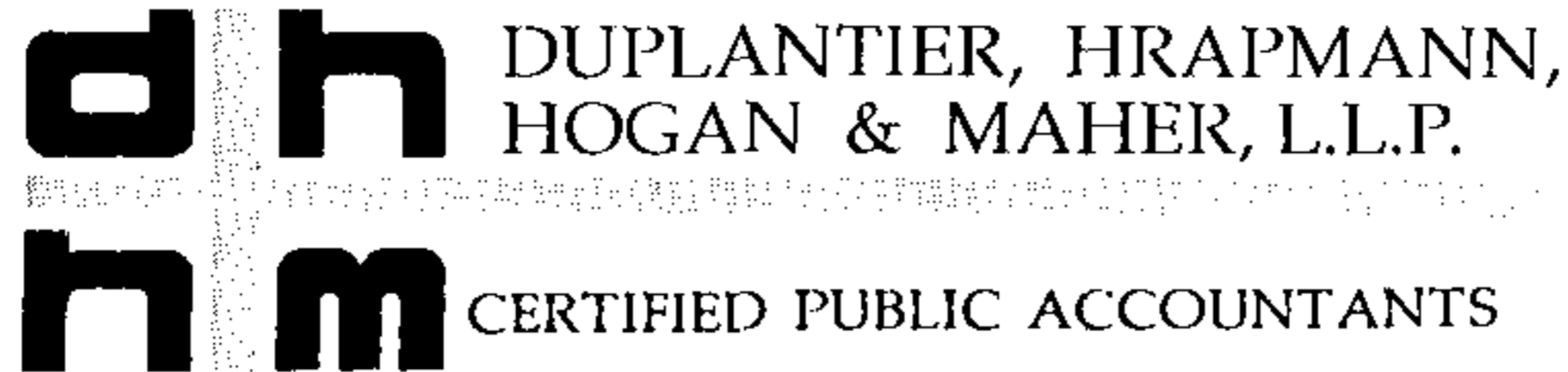
Release Date 1.13.98

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

INDEX TO REPORT

JUNE 30, 1998

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT.....	1
FINANCIAL STATEMENTS:	
Statement of Collections, Distributions, and Unsettled Balances, for the Period from July 1, 1997 through June 30, 1998, Tax Collector Agency Fund.....	2
Notes to the Financial Statement.....	3 - 4
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON A FINANCIAL STATEMENT AUDIT IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.....	5



MICHAEL J. O'ROURKE, C.P.A.  
WILLIAM G. STAMM, C.P.A.  
CLIFFORD J. GIFFIN, JR., C.P.A.

DAVID J. MUMFREY, C.P.A.  
LINDSAY J. CALUB, C.P.A.  
GUY L. DUPLANTIER, C.P.A.  
BONNIE J. McAFEE, C.P.A.  
DAVID A. BURGARD, C.P.A.  
MICHELLE B. CUNNINGHAM, C.P.A.

ASSOCIATE  
KENNETH J. BROOKS, C.P.A.

1340 Poydras St., Suite 2000 • New Orleans, LA 70112  
(504) 586-8866  
Fax (504) 525-5888

JAMES MAHER, JR., C.P.A.  
(Retired)  
A.J. DUPLANTIER, JR., C.P.A.  
(1919-1985)  
FELIX J. HRAPMANN, JR., C.P.A.  
(1919-1990)  
WILLIAM R. HOGAN, JR., C.P.A.  
(1920-1996)  
MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF L.A. C.P.A.'S

### INDEPENDENT AUDITOR'S REPORT

October 22, 1998

Honorable Jack A. Stephens  
St. Bernard Parish Sheriff and  
Ex-Officio Tax Collector  
Chalmette, Louisiana

We have audited the statement of collections, distributions, and unsettled balances for the Tax Collector Agency Fund of the St. Bernard Parish Sheriff for the period from July 1, 1997 through June 30, 1998. This financial statement is the responsibility of the St. Bernard Parish Sheriff'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 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 in note 1, the St. Bernard Parish Sheriff is the ex-officio tax collector for the various taxing bodies within St. Bernard Parish, and the accompanying statement presents a summarization of transactions as parish tax collector. It does not include the cash receipts and disbursements of the St. Bernard Parish Sheriff's Office general fund. Furthermore, the accompanying statement of collections, distributions, and unsettled balances has 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 statement of collections, distributions and unsettled balances referred to in the first paragraph presents fairly, in all material respects, the tax collections, distributions, and unsettled balances of the Tax Collector Agency Fund of the St. Bernard Parish Sheriff, for the period from July 1, 1997 through June 30, 1998, on the basis of accounting described in note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 1998 on our consideration of the Tax Collector Agency Fund of the St. Bernard Parish Sheriff's internal control over financial reporting and on its compliance with laws and regulations.

*Duplantier, Hrapmann, Hogan & Maher L.L.P.*

ST. BERNARD PARISH SHERIFF  
TAX COLLECTOR AGENCY FUND  
STATEMENT OF COLLECTIONS, DISTRIBUTIONS AND UNSETTLED BALANCES  
FOR THE PERIOD FROM JULY 1, 1997 THROUGH JUNE 30, 1998

UNSETTLED BALANCES, JULY 1, 1998	\$ 4,738,259
COLLECTIONS:	
Ad valorem taxes	16,561,076
Angling, hunting, and trapping licenses	272,452
Parish licenses	884,341
Criminal costs and fines	679,357
Sales tax	28,040,471
Sales tax paid under protest (Note 4)	126,534
State revenue sharing (Note 2)	1,423,375
Interest	159,112
Total collections	48,146,718
TOTAL	52,884,977
DISTRIBUTIONS:	
Lake Borgne Basin Levee District	2,715,730
Louisiana Department of Wildlife and Fisheries	215,314
Louisiana Commission of Law Enforcement	39,964
Louisiana Department of Treasury	5,501
Louisiana Tax Commission assessment fee	3,684
Louisiana State Police	10,892
St. Bernard Parish:	
Assessor	369,153
Clerk of Court	23,157
Parish government	17,203,071
School Board	17,110,132
Waterworks districts	23,132
Sewerage districts	559,289
Library	756,260
Sheriff	7,344,973
Port, Harbor, and Terminal District	672,649
Thirty-Fourth Judicial District:	
District Attorney	41,413
Indigent Defender Board	55,531
Criminal Court Fund	127,810
Pension funds	500,331
Restitution	73,778
Professional fees	46,261
Miscellaneous	695
Total distributions	47,898,720
UNSETTLED BALANCES AT JUNE 30, 1998 DUE TO TAXING BODIES AND OTHERS	\$ 4,986,257

The accompanying notes are an integral part of this statement.

ST. BERNARD PARISH SHERIFF  
TAX COLLECTOR AGENCY FUND  
NOTES TO FINANCIAL STATEMENT  
JUNE 30, 1998

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, sales and use taxes, parish occupational licenses, state revenue sharing funds, angling, hunting, and trapping licenses, and funds, costs, and bond forfeitures imposed by the district court.

Louisiana Revised Statute 24:517(D) requires that the accounts of each tax collector be audited 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 also included as agency funds 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 unsettled balances due various taxing bodies and others.

State law authorizes the Sheriff to deposit tax collections in a bank domiciled in the parish where the funds are collected.

Basis of Accounting:

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accompanying financial statement has been prepared on the cash basis of accounting, with collections recognized when received and distributions reflected when paid.

2. STATE REVENUE SHARING FUNDS AND AD VALOREM TAXES:

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

Lake Borgne Basin Levee District	\$ 163,000
St. Bernard Parish:	
Parish government	389,514
School Board	284,274
Library	86,158
Port, Harbor, and Terminal district	125,000
Sheriff-commission	318,776
Pension funds	<u>56,653</u>
Total	<u>\$1,423,375</u>



ST. BERNARD PARISH SHERIFF  
TAX COLLECTOR AGENCY FUND  
NOTES TO FINANCIAL STATEMENT  
JUNE 30, 1998

2. STATE REVENUE SHARING FUNDS AND AD VALOREM TAXES: (Continued)

Ad valorem taxes are assessed for the calendar year and become due on November 15 of each year and delinquent on December 31. The taxes are generally collected in December of the assessed year and January and February of the ensuing year. Disbursements to the tax districts are generally made from January through June of each year.

3. DEPOSITS:

All cash is deposited with local financial institutions in interest bearing accounts. Following are the components of the Tax Collector's deposits and collateral on deposits at June 30, 1998.

	<u>Cash</u>
Unsettled balances due to taxing bodies and others	<u>\$4,983,350</u>
Bank balances:	
a. Insured or collateralized with securities held by the entity or its agent in the entity's name	\$4,983,350
b. Collateralized with securities held by pledging financial institution's trust department or agent in the entity's name	--
c. Uncollateralized, including any securities held for the entity but not in the entity's name	--
d. Government backed pooled funds. The funds are held by a sub-custodian, managed by a separate money manager, and are in the name of the Tax Collector's custodian's trust department	--
TOTAL BANK BALANCE	<u>\$4,983,350</u>

4. SALES TAXES PAID UNDER PROTEST:

As of June 30, 1998, the Tax Collector had deposited in interest bearing bank accounts sales taxes paid under protest by a taxpayer totaling \$2,269,200 including interest earned. The funds are being held in the unsettled amounts pending the outcome of a suit filed by the taxpayer in which the taxpayer claims the taxes are not due. On October 29, 1998, a judgment was rendered requiring the taxpayer to pay delinquent taxes, interest, and attorney fees totaling \$1,459,587, as well as all audit and court costs.

The taxpayer has not filed suit for recovery of taxes paid under protest from January 1995 through August 1997, as a result funds totaling \$102,973 were removed from the escrow account, placed in the general tax fund and disbursed to the appropriate taxing bodies.

ST. BERNARD PARISH SHERIFF  
(AS EX-OFFICIO PARISH TAX COLLECTOR)  
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON A FINANCIAL STATEMENT AUDIT  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998

October 22, 1998

Honorable Jack A. Stephens  
St. Bernard Parish Sheriff  
and Ex-Officio Tax Collector  
Chalmette, Louisiana

We have audited the statement of collections, distributions, and unsettled balances of the St. Bernard Parish Sheriff - Tax Collector Agency Fund, as of and for the year ended June 30, 1998, and have issued our report thereon dated October 22, 1998. 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 the St. Bernard Parish Sheriff - Tax Collector Agency Fund's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, 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 the St. Bernard Parish Sheriff - Tax Collector Agency Fund'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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weakness. 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be a material weakness.

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

*Duplantier, Hopmann, Hogan & Mahu LLP*