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**LAFAYETTE PARISH SHERIFF
(AS EX-OFFICIO PARISH TAX COLLECTOR)**
Lafayette, Louisiana

Financial Report

Year Ended June 30, 1999

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Release Date SEP 07 1999

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INDEPENDENT AUDITORS' REPORT

The Honorable Donald J. Breaux
Lafayette Parish Sheriff as
Ex-Officio Tax Collector
Lafayette, Louisiana

We have audited the accompanying statement of collections, distributions, and unsettled balances of the Tax Collector Fund (agency fund) of the Lafayette Parish Sheriff for the year ended June 30, 1999 as listed in the table of contents. This financial statement is the responsibility of the Lafayette Parish Sheriff as Ex-Officio 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. 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 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 Lafayette Parish Sheriff. Further, the accompanying statement on collections, distributions, and unsettled balances has been prepared on a cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the collections, distributions, and unsettled balances of the Tax Collector Fund of the Lafayette 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 a report dated July 13, 1999 on our consideration of the Tax Collector Fund of the Lafayette Parish Sheriff's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

Our audit was performed for the purpose of forming an opinion on the statement of collections, distributions, and unsettled balances of the Tax Collector Fund (Agency Fund) of the Lafayette Parish Sheriff. The year 2000 supplementary information on page 13 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it.

In addition, we do not provide assurance that Lafayette Parish Sheriff is or will become year 2000 compliant, that the Sheriff's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Sheriff does business are or will become year 2000 compliant.

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Lafayette, Louisiana
July 13, 1999

FINANCIAL STATEMENT

LAFAYETTE PARISH SHERIFF
Lafayette, Louisiana
Tax Collector Agency Fund

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

Unsettled balances, July 1, 1998	<u>\$ 388,024</u>
Collections:	
Ad valorem taxes	47,138,431
State revenue sharing	3,766,625
Sporting licenses	389,664
Parish occupational licenses	346,813
Interest on:	
Delinquent taxes	98,744
Deposit of taxes, licenses, etc.	52,971
Tax notices, etc.	41,865
Refunds and redemptions	268,035
Louisiana Tax Commission	<u>10,185</u>
Total collections	<u>52,113,333</u>
 Total	 <u>52,501,357</u>
Distributions:	
Louisiana Department of Wildlife and Fisheries	320,615
Louisiana Tax Commission	10,185
Lafayette Center Development District	298,794
Lafayette Parish:	
Council	14,114,114
School Board	20,353,712
Airport District	818,421
Teche-Vermilion Fresh Water District	566,776
Economic Development Authority	1,167,188
Bayou Vermilion District	665,933
Bayou Vermilion Maintenance	437,438
Sheriff	10,154,130
Special Assessment district	975,947
Pension funds	1,316,145
Refunds and redemptions	311,066
Tax notices, etc.	<u>998</u>
Total distributions	<u>51,511,462</u>
 Unsettled balances, June 30, 1999, due to taxing bodies and others	 <u>\$ 989,895</u>

The accompanying notes are an integral part of this statement.

LAFAYETTE PARISH SHERIFF
Lafayette, Louisiana

Notes to Financial Statement

(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, parish occupational licenses, state revenue sharing funds, 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 statement reflects 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 unsettled 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 reflected when paid.

(2) Interest-Bearing 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, 1999, the Sheriff has interest-bearing deposits (book balances) totaling \$989,895 representing unsettled tax collections. Deposit balances (bank balances) at June 30, 1998 of \$1,295,367 are fully secured through federal deposit insurance and/or securities pledged.

(3) State Revenue Sharing Funds

The revenue sharing funds provided by Act 956 of 1992 received during the year were allocated among the taxing bodies as follows:

Economic Development Authority	\$ 102,540
Teche Vermilion Fresh Water District	34,351
Lafayette Parish:	
Council	1,027,583
School Board	1,642,060
Bayou Vermilion Maintenance	38,408
Special Assessment District	83,020
Law Enforcement District	741,779
Airport District	41,508
Pension funds	<u>55,376</u>
Total	<u>\$3,766,625</u>

LAFAYETTE PARISH SHERIFF
Lafayette, Louisiana

Notes to Financial Statement (Continued)

(4) Unsettled Balances

The unsettled cash balance at June 30, 1999 of \$989,895 consists of the following:

Interest earned on deposits and delinquent taxes	\$ 35,719
Protest taxes	945,739
Wildlife and Fisheries	<u>8,437</u>
	<u>\$989,895</u>

COMPLIANCE AND INTERNAL CONTROL

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Donald J. Breaux
Lafayette Parish Sheriff as
Ex-Officio Tax Collector
Lafayette, Louisiana

We have audited the financial statements of the Tax Collector Fund (agency fund) of the Lafayette Parish Sheriff for the year ended June 30, 1999, and have issued our report thereon dated July 13, 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.

Compliance

As part of obtaining reasonable assurance about whether the Tax Collector Fund's 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 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 Lafayette 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 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 judgment, could adversely affect the Lafayette Parish Sheriff's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statement.

Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, 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.

Response:

No response is considered necessary.

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. We believe the reportable condition described above is a material weakness.

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

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Lafayette, Louisiana
July 13, 1999

LAFAYETTE PARISH SHERIFF
 Lafayette, Louisiana
 Tax Collector Agency Fund

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

<u>Ref. No.</u>	<u>Year Finding Initially Occurred</u>	<u>Description of Finding/ Management Letter Comment</u>	<u>Corrective Action Taken</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
1	Unknown	Segregation of functions within the accounting system; based upon the cost-benefit of additional personnel, the probable feasibility to achieve segregation of accounting functions not considered possible; deemed client response unnecessary.	No	See Corrective Action Plan.

LAFAYETTE PARISH SHERIFF
Lafayette, Louisiana
Tax Collector Agency Fund

Corrective Action Plan
Year Ended June 30, 1999

Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Based upon the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of accounting functions.

OTHER SUPPLEMENTARY INFORMATION

LAFAYETTE PARISH SHERIFF
Lafayette, Louisiana

Other Supplementary Information
Year Ended June 30, 1999

Impact of Year 2000 on Computer Programs (Unaudited)

The Year 2000 issue is the result of computer programs being written using two digits rather than four to define the applicable year. Any of the Sheriff's computer programs that have time sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in a system failure or miscalculations causing disruptions of operations, including among other things, a temporary inability to process transactions or engage in similar normal business activities.

The Sheriff has completed an inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue, that are necessary to conducting Tax Collector operations and have identified such systems as being the Sheriff's mainframe, Lafayette Parish Consolidated Government's system, and personal computers used for financial reporting purposes.

- The Lafayette Parish Consolidated Government's system and personal computers have been assessed, remediated, and validated.
- The Sheriff's mainframe is currently being remediated by a vendor. Testing and validation will have to occur prior to the system being used for processing.

Remaining contracted amounts of \$154,500 are committed to this project as of June 30, 1999.

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 Sheriff is or will be Year 2000 ready, that the Sheriff's remediation efforts will be successful in whole or in part, or that parties with whom the Sheriff does business will be year 2000 ready. The Sheriff is utilizing external resources to identify and test the systems for Year 2000 compliance.