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

Financial Report

Year Ended June 30, 2001

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 10/24/01

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Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Eugene H. Darnall, CPA, Retired 1990

E. Larry Sikes, CPA, CVA
Danny P. Frederick, CPA
Clayton E. Darnall, CPA
Eugene H. Darnall, III, CPA
Paula D. Bihm, CPA
Stephanie M. Higginbotham, CPA
John P. Armato, CPA

Jennifer S. Ziegler, CPA
Chris A. Miller, CPA
Stephen R. Dischler, MBA, CPA
Steven G. Moosa, CPA

Kathleen T. Darnall, CPA
Erich G. Loewer, Jr., CPA
Erich G. Loewer, III, CPA
Tamera T. Landry, CPA
Carla R. Fontenot, CPA
Raegan D. Stelly, CPA
Hilda S. Guidry, CPA
Julie T. Templett, CPA
Barbara A. Clark, CPA
Monica F. Laverne, CPA
Lauren E. Verrett, CPA
Michelle B. Borrello, CPA

INDEPENDENT AUDITORS' REPORT

Locations:

125 Rue Beauregard
Lafayette, LA 70508
337.232.3312

1231 E. Laurel Avenue
Eunice, LA 70535
337.457.4146

1201 Brashear Avenue
Suite 301
Morgan City, LA 70380
985.384.6264

404 Pere Megret
Abbeville, LA 70510
337.893.5470

The Honorable Michael W. Neustrom
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, 2001 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 auditing standards generally accepted in the United States of America 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, 2001, in conformity with accounting principles generally accepted in the United States of America.

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Certified Public Accountants

In accordance with Government Auditing Standards, we have also issued a report dated July 14, 2001 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.

Dannall, Sikes & Frederick
A Corporation of Certified Public Accountants

Lafayette, Louisiana
July 14, 2001

LAFAYETTE PARISH SHERIFF
Lafayette, Louisiana
Tax Collector Agency Fund

Statement of Collections, Distributions, and Unsettled Balances
Year Ended June 30, 2001

Unsettled balances, June 30, 2000	<u>\$ 159,063</u>
Collections:	
Ad valoren taxes	51,588,887
State revenue sharing	3,863,701
Parish occupational licenses	203,159
Interest on:	
Delinquent taxes	65,321
Deposit of taxes, licenses, etc.	104,113
Tax notices, etc.	60,818
Refunds and redemptions	217,531
Louisiana Tax Commission	9,937
Total collections	<u>56,113,467</u>
Total	<u>56,272,530</u>
Distributions:	
Louisiana Tax Commission	19,292
Lafayette Center Development District	288,167
Lafayette Parish:	
Council	15,167,991
School Board	22,655,940
Airport District	897,716
Teche-Vermilion Fresh Water District	643,034
Economic Development Authority	1,268,352
Bayou Vermilion District	275,117
Bayou Vermilion Maintenance	495,254
Sheriff	11,424,863
Special Assessment District	1,064,525
Pension funds	1,439,079
Protest taxes	29,034
Refunds and redemptions	246,797
Tax notices, etc.	1,351
Total distributions	<u>55,916,512</u>
Unsettled balances, June 30, 2001, due to taxing bodies and others	<u>\$ 356,018</u>

The accompanying notes are an integral part of this statement.

LAFAYETTE PARISH SHERIFF
Lafayette, Louisiana

Notes to Financial Statement

NOTE 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, and state revenue sharing funds.

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.

NOTE 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, 2001, the Sheriff has interest-bearing deposits (book balances) totaling \$356,018 representing unsettled tax collections. Deposit balances (bank balances) at June 30, 2001 of \$438,305 are fully secured through federal deposit insurance and/or securities pledged.

NOTE 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	\$ 102,439
Teche-Vermilion Fresh Water District	35,760
Lafayette Parish:	
Council	953,649
School Board	1,791,050
Bayou Vermilion Maintenance	39,985
Special Assessment District	83,225
Law Enforcement District	760,550
Airport District	41,600
Pension Funds	55,443
Total	<u>\$ 3,863,701</u>

LAFAYETTE PARISH SHERIFF
Lafayette, Louisiana

Notes to Financial Statement

NOTE 4 UNSETTLED BALANCES

The unsettled cash balance at June 30, 2001 of \$356,018 consists of the following:

Interest earned on deposits and delinquent taxes	\$ 171,473
Protest taxes	184,110
Parish licenses	<u>435</u>
Total	<u>\$ 356,018</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

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125 Rue Beauregard
Lafayette, LA 70508
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1231 E. Laurel Avenue
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337.457.4146

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The Honorable Michael W. Neustrom
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, 2001, and have issued our report thereon dated July 14, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. 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. The reportable conditions are described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as items 01-1(IC) and 01-2(IC).

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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 conditions described above are material weaknesses.

This report is intended for the information of the Lafayette Parish Sheriff as Ex-Officio Tax Collector and management and is not intended to be and should not be used by anyone other than these specified parties.

Dannall, Sikes & Frederick
A Corporation of Certified Public Accountants

Lafayette, Louisiana
July 14, 2001

LAFAYETTE PARISH SHERIFF
 Lafayette, Louisiana
 Tax Collector Agency Fund

Summary Schedule of Current and Prior Year Audit Findings
 And Corrective Action Plan

Year Ended June 30, 2001

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Date of Completion</u>
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CURRENT YEAR (6/30/01)

Internal Control:

01-1(IC)	Unknown	Inadequate segregation of functions within the accounting system	No	Based on the cost-benefit of additional personnel, the probable feasibility to achieve segregation of accounting functions were not considered possible	Carla Gerami, Major	N/A
01-2(IC)	6/30/01	Did not distribute interest earned from ad valorem tax account before the end of the fiscal year	Yes	The appropriate staff in this department will be reviewing the bank reconciliations on a timely basis to assure that interest is being disbursed timely	Carla Gerami, Major	8/31/01

LAFAYETTE PARISH SHERIFF
 Lafayette, Louisiana
 Tax Collector Agency Fund

Summary Schedule of Current and Prior Year Audit Findings
 And Corrective Action Plan

Year Ended June 30, 2001

being disbursed timely

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Date of Completion</u>
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PRIOR YEAR (6/30/00)

Internal Control:

00-1(IC)	Unknown	Inadequate segregation of functions within the accounting system	No	Based on the cost-benefit of additional personnel, the probable feasibility to achieve segregation of accounting functions were not considered possible	Carla Gerami, Major	N/A
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