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

Financial Report

Year Ended June 30, 1996

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 9-18-96

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1-2
FINANCIAL STATEMENT	
Statement of Collections, Distributions, and Unsettled Balances, for the Year Ended June 30, 1996 - Tax Collector Agency Fund.	4
Notes to financial statement	5-6
INTERNAL CONTROL, COMPLIANCE AND OTHER INFORMATION	
Independent Auditor's Report on Internal Control Structure Based on an Audit of Basic Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	8-9
Independent Auditor's Report on Compliance Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	10

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INDEPENDENT AUDITOR'S 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, 1996 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 are 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, 1996, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated July 25, 1996 on our consideration of the Tax Collector Fund of the Lafayette Parish Sheriff's internal control structure and a report dated July 25, 1996 on compliance with laws and regulations.

Darnall, Sikes, Kolder, Frederick & Rainey
A Corporation of Certified Public Accountants

Lafayette, Louisiana
July 25, 1996

FINANCIAL STATEMENT

LAFAYETTE PARISH SHERIFF
Lafayette, Louisiana
Tax Collector Agency Fund

Statement of Collections, Distributions, and Unsettled Balances
Year Ended June 30, 1996

Unsettled balances, July 1, 1995	<u>\$ 1,254,195</u>
Collections:	
Ad valorem taxes	36,347,824
State revenue sharing	3,676,803
Sporting licenses	388,415
Parish occupational licenses	368,547
Tax statements	4,339
Interest on:	
Delinquent taxes	101,909
Deposit of taxes, licenses, etc.	109,743
Tax notices, etc.	29,228
Refunds and redemptions	145,835
Louisiana Tax Commission	9,322
Total collections	<u>41,181,965</u>
 Total	 <u>42,436,160</u>
Distributions:	
Louisiana Department of Wildlife and Fisheries	352,202
Louisiana Tax Commission	9,337
Lafayette Center Development District	255,926
Lafayette Parish:	
Council	11,153,803
School Board	15,332,264
Airport District	695,209
Teche-Vermilion Fresh Water District	413,585
Economic Development Authority	1,004,243
Bayou Vermilion District	950,645
Bayou Vermilion Maintenance	375,734
Sheriff	8,761,392
Special Assessment district	838,504
Pension funds	1,055,763
Refunds and redemptions	174,703
Tax notices, etc.	1,067
Total distributions	<u>41,374,377</u>
 Unsettled balances, June 30, 1996, due to taxing bodies and others	 <u>\$ 1,061,783</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, 1996, the Sheriff has interest-bearing deposits (book balances) totaling \$1,061,783, representing unsettled tax collections. Deposit balances (bank balances) at June 30, 1996 of \$1,286,114 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	\$ 110,362
Teche Vermilion Fresh Water District	31,480
Lafayette Parish:	
Council	954,377
School Board	1,576,689
Bayou Vermilion Maintenance	41,303
Special Assessment District	89,231
Law Enforcement District	773,371
Airport District	44,961
Pension funds	<u>55,029</u>
Total	<u>\$3,676,803</u>

LAFAYETTE PARISH SHERIFF
Lafayette, Louisiana

Notes to Financial Statement

(4) Unsettled Balances

The unsettled cash balance at June 30, 1996 of \$1,061,783 consists of the following:

Motor vehicle property taxes	\$ 264,863
Interest earned on deposits and delinquent taxes	306,165
Protest taxes	478,317
Ad valorem taxes	<u>12,438</u>
	<u>\$1,061,783</u>

INTERNAL CONTROL AND COMPLIANCE

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the Tax Collector Fund (agency fund) financial statement of the Lafayette Parish Sheriff as of and for the year ended June 30, 1996, and have issued our report thereon dated July 25, 1996.

We have 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.

The Lafayette Parish Sheriff As Ex-Officio Tax Collector is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statement of the Tax Collector Fund, for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity'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 reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statement 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 structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition described above involving the internal control structure and its operation to be a material weakness. This condition was considered in determining the nature, timing and extent of the procedures to be performed in our audit of the financial statement of the Tax Collector Fund, for the year ended June 30, 1996.

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

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Lafayette, Louisiana
July 25, 1996

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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.

Compliance with laws and regulations applicable to the Tax Collector Fund is the responsibility of the Lafayette Parish Sheriff. As part of obtaining reasonable assurance about whether the financial statement is free of material misstatement, we performed tests of the Sheriff's compliance with certain provisions of laws and regulations. However, the objective of our audit was not to provide an opinion on overall compliance with such provisions. 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.

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

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Lafayette, Louisiana
July 25, 1996