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TANGIPAHOA PARISH TAX COLLECTOR
Amite, Louisiana

FINANCIAL STATEMENT
July 1, 1998 through 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. 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 FEB 09 2000

TANGIPAHOA PARISH TAX COLLECTOR
AMITE, LOUISIANA

Financial Statements
July 1, 1998 through June 30, 1999

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INDEPENDENT AUDITOR'S REPORT

Honorable J. Edward Layrisson
Tangipahoa Parish Sheriff and Ex-Officio Tax Collector
Amite, Louisiana

We have audited the accompanying statement of changes in assets and liabilities of the Tangipahoa Parish Tax Collector Agency Fund for the period from July 1, 1998 through June 30, 1999. These financial statements are the responsibility of the Tangipahoa Parish Tax Collector Agency Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as noted in the following paragraph, 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. Those standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, as amended by GASB Technical Bulletin 99-1, requires disclosure of certain matters regarding the year 2000 issue. The Tangipahoa Parish Tax Collector has included such disclosures in Note 7. 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. Accordingly, insufficient audit evidence exists to support the Tangipahoa Parish Tax Collector's disclosures with respect to the year 2000 issue made in note 7. Further, we do not provide assurance that the Tangipahoa Parish Tax Collector's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Parish Tax Collector does business will be year 2000 ready.

As discussed in Note 1, the Tangipahoa Parish Sheriff is the ex-officio tax collector for the various taxing bodies within Tangipahoa Parish, and the accompanying financial statements present information only on his activities as parish tax collector. Accordingly, the accompanying financial statements are not intended to and do not present the financial position and results of operations of the Tangipahoa Parish Sheriff.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, the financial statements referenced in the first paragraph present fairly, in all material respects, the changes in assets and liabilities of the Tangipahoa Parish Tax Collector Agency Fund for the period from July 1, 1998 through June 30, 1999 in conformity with generally accepted accounting principles. The accompanying financial information listed as supplemental information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Tangipahoa Parish Tax Collector Agency Fund. Such information has been subjected to the procedures applied in the examination of the statement of changes in assets and liabilities and, in our opinion, is fairly stated in all material respects in relation to the financial statements of the Tangipahoa Parish Tax Collector Agency Fund.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 20, 1999, on our consideration of the Tangipahoa Parish Sheriff's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Tangipahoa Parish Tax Collector Agency Fund taken as a whole. The supplemental information schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Tangipahoa Parish Tax Collector Agency fund. Such information has been subjected to the auditing procedures applied in the audit of the financial statements, and in our opinion, such information is fairly presented in all material respects in relation to the financial statements taken as a whole.


Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

August 20, 1999

TANGIPAHOA PARISH TAX COLLECTOR
Amite, Louisiana

Statement A

Statement of Changes in Assets and Liabilities
July 1, 1998 through June 30, 1999

	Balance 07/01/98	Additions	Deductions	Balance 06/30/99
Assets:				
Cash	\$ 64,247	\$ 17,243,002	\$ 17,250,731	\$ 56,518
Receivables	1,010	-	1,010	-
	\$ 65,257	\$ 17,243,002	\$ 17,251,741	\$ 56,518
 Liabilities:				
Due to Taxing Bodies & Others	\$ 65,257	\$ 17,243,002	\$ 17,251,741	\$ 56,518

The accompanying notes are an integral part of these statements.

TANGIPAHOA PARISH TAX COLLECTOR
Amite, Louisiana
Notes to the Financial Statement

July 1, 1998 through June 30, 1999

I. 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, 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 statements and schedules reflect the Sheriff's fiduciary responsibility as ex-officio tax collector. Amounts included in this report are included in the Sheriff's annual component unit financial statements. The Tax Collector Fund is an agency fund of the Sheriff's component unit financial statements.

The basis of accounting for an Agency Fund is the modified accrual basis. The measurement focus is custodial, since the fund is not involved with the performance of governmental services.

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 Tax Collector Fund is custodial in nature (assets equal liabilities) and does not involve the measurement of results of operation.

2. DEPOSIT FUNDS

At June 30, 1999, the tax collector has cash and cash equivalents (book balances) totaling \$56,518 consisting of interest-bearing demand deposits. These funds are included as part of the total deposits of \$919,589 (book balances) of the Tangipahoa Parish Sheriff's Office, at June 30, 1999, and consist of the following:

Demand Deposits	\$ 1,200
Interest-Bearing Demand Deposits	888,192
LAMP	<u>\$ 30,197</u>
Total	<u><u>\$ 919,589</u></u>

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.

TANGIPAHOA PARISH TAX COLLECTOR
Amite, Louisiana
Notes to the Financial Statement
(Continued)
July 1, 1998 through June 30, 1999

At June 30, 1999, the sheriff has \$2,145,499 in deposits (collected bank balances). These deposits are secured from risk by \$119,270 of federal deposit insurance and \$2,026,229 of pledged securities held by the custodial bank in the name of the fiscal agent 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 being notified by the sheriff that the fiscal agent has failed to pay deposited funds upon demand.

3. AD VALOREM TAXES

Ad Valorem taxes are recorded in the year the taxes are due and payable. Ad Valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January and February of the fiscal year.

4. REVENUE SHARING FUNDS

The revenue sharing funds were distributed as follows:

Tangipahoa Parish:	
Parish Council	\$ 73,408
Garbage Maintenance District # 1	181,041
School Board	112,892
Assessor	129,860
Drainage Districts	89,706
Fire Protection Districts	388,939
Library	153,486
Health Unit	55,612
Port Commission	45,200
Ponchatoula Recreation District	77,977
Independence Recreation District	23,497
Florida Parish Juvenile District	83,420
Pension Funds	36,287
Sheriff:	
Law Enforcement District	285,288
Commissions	263,421
Total	<u><u>\$ 2,000,034</u></u>

TANGIPAHOA PARISH TAX COLLECTOR
Amite, Louisiana
Notes to the Financial Statement
(Continued)
July 1, 1998 through June 30, 1999

5. TAXES PAID UNDER PROTEST.

At June 30, 1999, there was a total of \$17,242 deposited in the protested taxes account, pending a determination of the suit seeking recovery of the taxes.

6. LITIGATION

The Tangipahoa Parish Sheriff is involved in several lawsuits. In the opinion of the Sheriff's legal counsel, resolution of these lawsuits would not involve a liability to the Tangipahoa Parish Tax Collector's office.

7. 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 Tangipahoa Parish Tax Collector's operations as early as fiscal year 1999.

The Tangipahoa Parish Tax Collector has completed preliminary inventories of computer systems and other electronic equipment of the Tax Collector Fund that may be affected by the year 2000 issue and that are necessary to conduct the Tax Collector's operations. The Tax Collector's Office is dependent in large part on property tax billings administered by the Tangipahoa Parish Assessor's Office, with payment of taxes, licenses, and fees, made by numerous third party vendors and governmental agencies. It is unknown, as of June 30, 1999, what effects, if any, failing to remediate any such systems will have upon the Tangipahoa Parish Tax Collector's operations and financial reporting.

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

TANGIPAHOA PARISH TAX COLLECTOR
Amite, Louisiana

Schedule 1

Schedule of Collections, Settlements, and Cash Balances
July 1, 1998 through June 30, 1999

Cash Balance at July 1, 1998:

Due to Taxing Bodies and Others \$ 65,257

Collections:

Ad Valorem Taxes	\$ 13,897,751	
Prior Year Taxes	44,081	
Clerk of Court	6,462	
Angling, Hunting, and Trapping Licenses	266,503	
Parish Licenses	381,108	
Interest on Delinquent Taxes	51,446	
State Revenue Sharing (Note 4)	2,000,034	
Hotel / Motel Tax	184,692	
Tax Notices, Costs, Etc.	111,508	
Refunds and Redemptions	242,219	
Interest Earned on Interest Bearing Accounts	27,022	
Protested Taxes	25,929	
Louisiana Tax Commission	4,247	
Total Collections	17,243,002	

Settlements:

Louisiana Department of Wildlife and Fisheries	206,236	
Louisiana Forestry Commission	18,949	
Tangipahoa Parish:		
Parish Council	1,786,127	
School Board	3,814,297	
Sheriff	3,984,036	
Assessor	961,383	
Tourist Commission	189,557	
Clerk of Court	6,462	
Drainage Districts	868,158	
Recreation Districts	421,167	
Fire Protection Districts	1,747,769	
Library	1,100,958	
Health Unit	400,780	
Port Commission	345,652	
Hammond Development District	99,892	
Florida Parish Juvenile District	595,585	
Refunds and Redemptions	282,398	
Pension Funds	409,394	
Protested Taxes	8,687	
Louisiana Tax Commission	4,254	
Total Settlements	(17,251,741)	

Cash Balance at June 30, 1999:

Due to Taxing Bodies and Others \$ 56,518

The accompanying notes are an integral part of these statements.

**TANGIPAHOA PARISH TAX COLLECTOR
Amite, Louisiana**

Schedule 2

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

Section I - Internal Control and Compliance Material to the Financial Statements

No Findings for Section I

Section II - Management Letter

Reference Numbers: 95-M1

Fiscal Year Finding Initially Occurred: 06/30/95

Description of Findings:

We had noted in prior year audits, that the programming changes required to record all collections of the "Taxes Other" account of the Tax Collector Agency Fund, had not been implemented. Management had requested that the changes be made, but changes were not completed by the programmer. Response by management was that they would give the programmer a final deadline for completing the required programming changes.

Correction Action Taken: Partial

Description of Partial Correction Action Taken:

The Tangipahoa Parish Tax Collector's Office has met with the programmer on numerous occasions to implement needed changes. Because of priorities in other areas, the changes have not been implemented. However, as an additional control, manual records of the "Taxes Other" account are input into a computerized general ledger package on a monthly basis, and any unsettled funds are identified and disbursed on a timely basis. The current write-up package includes lead schedules that match receipts and disbursements, allowing for timely identification of any undisbursed funds. We will continue to input records of the "Taxes Other" account into the general ledger program, until programming changes are completed for the "Taxes Other" account, as was done with the "Current Taxes" account.

TANGIPAHOA PARISH TAX COLLECTOR
Amite, Louisiana

Schedule 3

Corrective Action Plan for Current Year Audit Findings
For the Year Ended June 30, 1999

Section I - Internal Control and Compliance Material to the Financial Statements

Reference Number: 99-1

Description of Finding:

It was noted within Footnote 7 (Year 2000 Issue) of the *Notes to the Financial Statements*, that the Tangipahoa Parish Tax Collector has performed a preliminary inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue, and that the Tax Collector's Office is dependent in large part on property tax billings administered by the Tangipahoa Parish Assessor's Office, with payment of taxes, licenses, and fees, made by numerous third party vendors and governmental agencies. Software and computer systems of other parties providing services to the Tax Collector's Office have not been inventoried to determine year 2000 compliance. It is unknown, as of June 30, 1999, what effects, if any, failing to remediate any such systems will have upon the Tax Collector's operations and financial reporting. We recommend immediate action for the following:

1. Complete the evaluation of all computer systems and other electronic equipment to determine year 2000 compliance, and make any necessary changes or upgrades immediately.
2. Maintain contact with agencies providing billing services, and for which the Tax Collector is dependent upon for collection of taxes, to ensure that third party systems are year 2000 compliant.

Corrective Action Planned (Response by Management):

The Tangipahoa Parish Tax Collector will take immediate action to complete the inventory all data processing equipment and systems for year 2000 compliance, and will maintain contact with all agencies providing key services to the Tax Collector.

Anticipated Completion Date:

Anticipated completion date is September 30, 1999 for determining year 2000 compliance.

Name of Contact Person:

J. Edward Layrisson,
Tangipahoa Parish Sheriff and Ex-Officio Tax Collector
Courthouse Building
Amite, Louisiana
(504) 345-6150

TANGIPAHOA PARISH TAX COLLECTOR
Amite, Louisiana

Schedule 3

Corrective Action Plan for Current Year Audit Findings
For the Year Ended June 30, 1999
(Continued)

Section II - Management Letter

No Section II Findings.

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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 Sheriff, J. Edward Layrisson
Tangipahoa Parish Sheriff and Ex-Officio Tax Collector
Amite, Louisiana

We have audited the financial statements of the Tangipahoa Parish Tax Collector Agency Fund for the period of July 1, 1998 through June 30, 1999, and have issued our report thereon dated August 20, 1999, which was qualified because insufficient audit evidence exists to support the Tangipahoa Parish Tax Collector's disclosure with respect to year 2000 issue. Except as discussed in the preceding sentence, 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 Tangipahoa Parish Tax Collector's financial statements are free of material misstatement, we 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the Corrective Action Plan for Current Year Findings as item No. 99-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Tangipahoa Parish Tax Collector'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 material weaknesses. 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

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Page 2

noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the Tangipahoa Parish Tax Collector's Office in the *Summary Schedule of Prior Year Audit Findings*, as Reference Number 95-M1.

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



Bruce Harrell and Company, CPAs
A Professional Accounting Corporation
Kentwood, Louisiana

August 20, 1999