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Vernon Parish School Board
Leesville, Louisiana

Independent Accountants' Report
on Applying Agreed-Upon Procedures
For the Period July 1, 1997 to July 20, 1999
(Unless Noted Otherwise)

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 16 2000



ALLEN, GREEN & COMPANY, LLP

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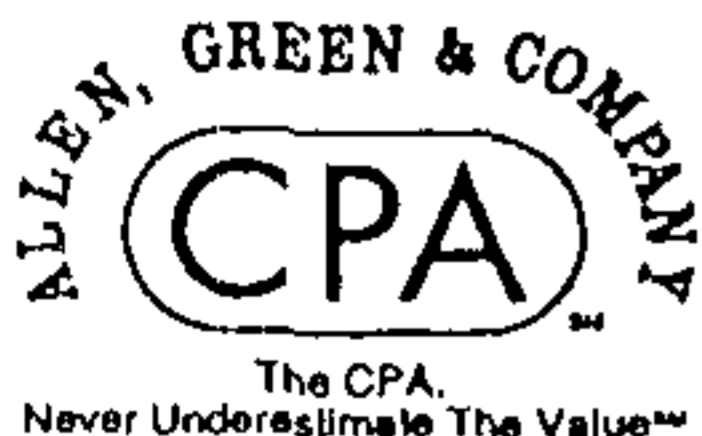
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October 7, 1999

Board Members
Vernon Parish School Board
Leesville, Louisiana

Following this letter is the Agreed-upon Procedures report regarding the Vernon Parish Sales and Use Tax department. This second report expanded the time period to include the period from July 1, 1993 through June 30, 1997. For ease of use we have included the procedures performed and the results of those procedures for both the expanded time period and the original time period of July 1, 1997 through July 20, 1999. Further, this second report is all encompassing of the agreed-upon procedures performed by Allen, Green & Company, LLP and the results of those procedures for all the procedures performed to date and the results of those procedures. Accordingly, with the comprehensiveness of this report, the first report issued by Allen, Green & Company, LLP is not needed for a user who has this second report.

Sincerely,

Margie E. Williamson

Margie E. Williamson, CPA
Partner

MW\mk

Vernon Parish School Board
Leesville, Louisiana

Independent Accountants' Report
on Applying Agreed-Upon Procedures
For the Period July 1, 1997 to July 20, 1999
(Unless Noted Otherwise)

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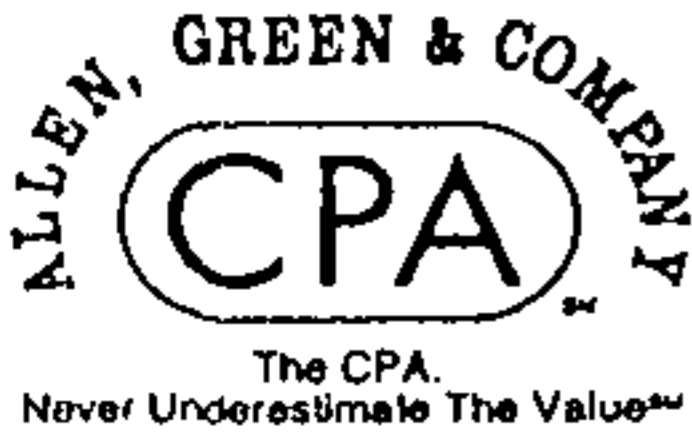
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Independent Accountants' Report On Applying Agreed-Upon Procedures

Board Members
Vernon Parish School Board
Leesville, Louisiana

We have performed the procedures enumerated below, which were agreed to by Vernon Parish School Board, solely to assist the Vernon Parish School Board in evaluating management's assertion regarding the misappropriation of funds collected by the Vernon Parish Sales and Use Tax Department. These agreed-upon procedures were performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Vernon Parish School Board. Consequently, we make no representation regarding the sufficiency of the procedures beginning below either for the purpose for which this report has been requested or for any other purpose.

Procedures	Findings
------------	----------

Deposits

<p><u>For the period April 1, 1999 through July 20, 1999</u> Compare check amount per deposit list (received from the bank) to the total amount reflected on the individual sales tax returns (filed in batches at the Sales Tax Office).</p> <p><u>For the period July 1, 1993 through March 31, 1999</u> Compare check amount per deposit list (received from the bank) to the total amount reflected on the individual sales tax returns (filed in batches at the Sales Tax Office) for deposits which included cash.</p>	<p>See Attachment A for a list of sales tax reports for which there appears to be no deposits.</p> <p>See Attachment B for a list of deposits into the checking account for which there appears to be no corresponding sales tax returns.</p> <p>See Attachment A for a list of sales tax reports for which there appears to be no deposits.</p> <p>See Attachment B for a list of deposits into the checking account for which there appears to be no corresponding sales tax returns.</p>
--	---

**VERNON PARISH SCHOOL BOARD
VERNON PARISH SALES AND USE TAX DEPARTMENT**

**Agreed Upon Procedures
For the Period July 1, 1997 To July 20, 1999
(Unless Noted Otherwise)**

Procedures	Findings
------------	----------

Installment Agreements

<p>Inquire of the Sales Tax Office personnel the procedures on handling payment collections on installment agreements established by the Sales Tax Office and note any weaknesses in internal controls.</p> <p>Locate all installment agreements established by the Sales Tax Department.</p> <p>Make copies of all the ledgers included in with the installment agreement papers which reflect payments made and the date of the payments. Thereafter, trace installment payment collections to posting in the posting journals of the Sales Tax Department.</p>	<p>The sales tax manager was responsible for setting up agreements, collections on the agreements and posting collections to the handwritten ledger sheets.</p> <p>Unable to ascertain that all installment agreements established by the sales tax office were located.</p> <p>Sales tax forms with no corresponding check or cash receipt, as noted below, were added to Attachment A.</p> <p>The following two exceptions were noted in tracing from the handwritten ledgers to posting in the posting journal:</p> <p style="padding-left: 40px;">(1) A payment of \$200.00 on 6/8/97 could not be traced to posting.</p> <p style="padding-left: 40px;">(2) A payment of \$1,302.86 was posted in the posting journal to a business but was recorded on the handwritten payment log as \$651.43.</p>
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NSF Checks

<p>Review procedures for handling NSF check payments from vendors and obtain the general ledger history for the NSF account posted on the Vernon Parish School Board's general fund.</p> <p>Attempt to trace items from the list to subsequent collection and deposit into the bank account for the period July 1, 1993 through July 20, 1999.</p>	<p>Discrepancies were found on the deposits that included NSF checks and regular sales tax deposits that included both cash and checks. These discrepancies were noted in reconciliations of cash batches. See Attachment A.</p>
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**VERNON PARISH SCHOOL BOARD
VERNON PARISH SALES AND USE TAX DEPARTMENT**

**Agreed Upon Procedures
For the Period July 1, 1997 To July 20, 1999
(Unless Noted Otherwise)**

Procedures	Findings
------------	----------

Cash Receipt Books

<p>Request all cash receipts books.</p> <p>Compare cash receipts to sales tax return in deposit batches for the time period July 1, 1993 through July 20, 1999.</p> <p>Trace cash receipts to depositing into the bank account.</p>	<p>This procedure could not be performed for one June 1997 deposit because the bank's microfiche was unreadable.</p> <p>Discrepancies have been noted on Attachment A.</p>
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Envelope Found in Sales Tax Manager's Office

<p>Verify that sales tax reports, letters and copies of check stubs found in an envelope in the sales tax manager's office were recorded in books of Sales Tax Department for the fiscal years 1998-1999 and 1997-1998.</p> <p>Trace amounts per the above-mentioned reports to actual deposits.</p>	<p>None of the items found in the envelope were recorded on the books.</p> <p>The following three items could not be traced to a deposit:</p> <p style="padding-left: 40px;">Payment for \$1,379.00 from a vendor in September 1996;</p> <p style="padding-left: 40px;">Payment for \$993.06 from a vendor in December 1997; and</p> <p style="padding-left: 40px;">A cash receipt for \$27.65 from a vendor.</p>
--	---

**VERNON PARISH SCHOOL BOARD
VERNON PARISH SALES AND USE TAX DEPARTMENT**

**Agreed Upon Procedures
For the Period July 1, 1997 To July 20, 1999
(Unless Noted Otherwise)**

Procedures	Findings
------------	----------

Mayor's Concern Regarding Clearview Glass

<p>The Mayor of the Town of Leesville expressed concern that the sales tax department did not prudently handle the collection of Clearview Glass, who has since filed bankruptcy. Review the file for Clearview Glass and perform the following:</p> <p>Were the proper number of delinquency notices sent?</p> <p>Were delinquency notices sent timely?</p> <p>Were there other collections efforts made?</p> <p>Were the services of the District Attorney ever requested concerning the account?</p> <p>The Sales Tax Office practice for requesting the District Attorney's assistance is in the 7th month of an account's delinquency. Did the Sales Tax Department follow this practice regarding Clearview Glass?</p> <p>Were there any payments on the account during recent times?</p> <p>Attempt to establish when the account became delinquent for: Filing returns Paying on accounts</p> <p>Does the file reflect any indication of preferential treatment for Clearview Glass?</p>	<p>From the files provided, the proper number of delinquency notices were not sent.</p> <p>From the file provided, the delinquency notices were not sent timely.</p> <p>From the file provided, no other collection efforts were made.</p> <p>From the file provided, the services of the District Attorney were not requested.</p> <p>Yes, from the file provided, there was no period of inactivity exceeding six months. The District Attorney's assistance was not required.</p> <p>Yes, the last payment was in May 1999.</p> <p>Reviewed records from November 1995 to May 1999. The account was not current during this time. Payments were being made.</p> <p>The collection practices for Clearview Glass did not appear to be an exception to collection practices applied to delinquent payments for other vendors.</p>
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Board Members
Vernon Parish School Board
Leesville, Louisiana

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertion. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management and the Board of Vernon Parish School Board and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Allen, Green + Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
October 7, 1999

**Vernon Parish School Board
Leesville, Louisiana**

ATTACHMENT A

VERNON SALES TAX FORMS RECORDED IN THE BOOKS OF VERNON SALES
TAX AGENCY WITH NO CORRESPONDING DEPOSIT INTO THE BANK ACCOUNT
ATTACHMENT A

DATE	BATCH #	AMOUNT	
7/99	10	76.56	
7/99	1	0.93	
6/99	15	500.00	
6/99	15	354.46	
6/99	15	625.00	
6/99	15	80.00	
6/99	15	200.00	
6/99	15	10.52	
6/99	15	500.00	NSF Redeposited - No check in batch
5/99	16	375.00	
5/99	16	150.00	
5/99	16	233.74	
5/99	16	600.00	
5/99	16	354.46	
5/99	16	400.00	
5/99	16	2.00	
5/99	16	233.74	
5/99	16	3,216.06	NSF Redeposited - No check in batch
4/99	22	375.00	
4/99	22	125.00	
4/99	22	600.00	
3/99	16	125.00	
3/99	16	500.00	
3/99	16	600.00	
3/99	16	875.00	
3/99	16	3,000.00	NSF Redeposited - No check in batch
2/99	16	0.10	
2/99	16	300.00	
2/99	16	28.57	
2/99	16	19.41	
2/99	16	15.88	
2/99	16	57.73	
2/99	16	600.00	
2/99	16	300.00	
2/99	16	610.25	
2/99	16	3,296.29	NSF Redeposited - No check in batch
1/99	2	65.03	
1/99	2	19.34	
1/99	2	684.03	NSF Redeposited - No check in batch
1/99	2	800.00	NSF Redeposited - No check in batch
1/99	2	348.24	NSF Redeposited - No check in batch
1/99	2	169.23	NSF Redeposited - No check in batch
1/99	24	147.92	
1/99	24	1,000.00	
1/99	24	25.17	
12/98	4	46.03	
12/98	4	1.00	
12/98	4	19.00	
12/98	4	1,100.00	
12/98	4	1,100.00	
12/98	4	600.00	
10/98	21	205.15	
10/98	21	3,062.04	
10/98	21	317.07	
10/98	21	180.07	NSF Redeposited - No check in batch
9/98	16	1,100.00	
8/98	18	2,396.31	
8/98	18	674.71	
8/98	18	29.07	
8/98	18	163.45	NSF Redeposited - No check in batch

**VERNON SALES TAX FORMS RECORDED IN THE BOOKS OF VERNON SALES
TAX AGENCY WITH NO CORRESPONDING DEPOSIT INTO THE BANK ACCOUNT
ATTACHMENT A**

DATE	BATCH #	AMOUNT	
8/98	1	150.00	
8/98	1	2,091.83	
8/98	1	750.00	
8/98	1	291.67	NSF Redeposited - No check in batch
8/98	1	150.00	
6/98	16	675.00	
6/98	16	720.00	
6/98	16	2.19	
5/98	17	150.00	
5/98	17	60.56	
5/98	17	720.00	
4/98	21	720.00	
4/98	21	198.20	
4/98	21	42.22	
4/98	21	140.00	
4/98	21	88.22	
3/98	16	17.22	
3/98	16	750.00	
3/98	16	560.10	NSF Redeposited - No check in batch
3/98	16	229.01	NSF Redeposited - No check in batch
2/98	16	145.59	
2/98	16	720.00	
2/98	16	122.72	
2/98	16	10.00	
2/98	16	2,592.39	NSF Redeposited - No check in batch
1/98	23	246.01	
1/98	23	720.00	
1/98	23	200.00	
1/98	23	720.00	
11/97	13	719.47	
11/97	13	311.47	NSF Redeposited - No check in batch
11/97	13	356.55	NSF Redeposited - No check in batch
10/97	2	719.47	
10/97	22	270.58	
10/97	22	3,061.62	NSF Redeposited - No check in batch
9/97	16	700.00	
9/97	16	46.22	
9/97	16	0.54	
9/97	16	53.37	NSF Redeposited - No check in batch
9/97	16	381.78	NSF Redeposited - No check in batch
9/97	16	3,237.08	NSF Redeposited - No check in batch
9/97	16	284.44	NSF Redeposited - No check in batch
9/97	16	39.00	NSF Redeposited - No check in batch
7/97	24	7.47	
7/97	24	91.98	
7/97	24	92.00	
7/97	24	200.48	
7/97	24	274.62	
7/97	24	308.36	NSF Redeposited - No check in batch
5/97	11	91.98	
5/97	11	645.00	
5/97	11	467.60	NSF Redeposited - No check in batch
5/97	11	249.44	NSF Redeposited - No check in batch
4/97	21	518.56	
4/97	21	7.44	
4/97	21	550.00	
4/97	21	643.50	
4/97	21	2,688.70	NSF Redeposited - No check in batch
4/97	21	247.94	NSF Redeposited - No check in batch
4/97	21	3.20	NSF Redeposited - No check in batch

VERNON SALES TAX FORMS RECORDED IN THE BOOKS OF VERNON SALES
TAX AGENCY WITH NO CORRESPONDING DEPOSIT INTO THE BANK ACCOUNT
ATTACHMENT A

DATE	BATCH #	AMOUNT	
3/97	14	406.55	
3/97	14	97.06	
3/97	14	98.60	
3/97	14	125.38	
3/97	14	118.13	
3/97	14	154.09	
3/97	14	5.83	
3/97	14	9.48	
3/97	14	162.51	
3/97	14	163.38	
3/97	14	197.94	
3/97	14	96.00	
2/97	16	125.45	
2/97	16	0.03	
2/97	16	57.63	
2/97	16	37.64	
2/97	16	116.27	
2/97	16	42.93	
2/97	16	35.17	
2/97	16	389.32	
2/97	16	93.30	
2/97	16	643.50	
2/97	16	352.24	NSF Redeposited - No check in batch
2/97	16	149.80	NSF Redeposited - No check in batch
1/97	22	643.50	
1/97	22	681.04	NSF Redeposited - No check in batch
1/97	22	218.43	NSF Redeposited - No check in batch
1/97	22	179.24	NSF Redeposited - No check in batch
1/97	22	128.03	NSF Redeposited - No check in batch
1/97	22	453.35	NSF Redeposited - No check in batch
12/96	17	90.50	
12/96	17	62.79	
12/96	17	117.46	
12/96	17	192.75	
12/96	17	99.32	
12/96	2	643.50	
12/96	2	140.30	
12/96	2	100.00	
12/96	2	1,041.10	
12/96	2	643.50	
12/96	2	205.08	NSF Redeposited - No check in batch
10/96	19	300.00	
10/96	19	1,546.00	
10/96	19	1,353.00	NSF Redeposited - No check in batch
9/96	16	500.00	
9/96	16	95.22	
9/96	16	200.04	
9/96	16	500.00	
9/96	16	844.30	
8/96	15	250.00	
8/96	15	400.00	
8/96	15	750.00	
8/96	15	112.76	
8/96	15	109.17	NSF Redeposited - No check in batch
7/96	21	0.10	
7/96	21	250.00	
7/96	21	200.00	
7/96	21	200.00	
7/96	21	750.00	
7/96	21	365.71	NSF Redeposited - No check in batch

**VERNON SALES TAX FORMS RECORDED IN THE BOOKS OF VERNON SALES
TAX AGENCY WITH NO CORRESPONDING DEPOSIT INTO THE BANK ACCOUNT
ATTACHMENT A**

DATE	BATCH #	AMOUNT	
7/96	21	500.00	NSF Redeposited - No check in batch
6/96	11	750.00	
6/96	11	410.00	
6/96	11	200.00	
6/96	11	250.00	
6/96	11	360.00	NSF Redeposited - No check in batch
6/96	11	1,656.50	NSF Redeposited - No check in batch
5/96	15	14.70	
5/96	15	100.00	
5/96	15	750.00	
5/96	15	6.12	
5/96	15	410.00	
5/96	15	78.64	
5/96	15	71.12	
5/96	15	32.70	
5/96	15	44.75	
5/96	15	250.00	
5/96	15	2.93	Difference between check and return
5/96	15	3.19	Difference between check and return
5/96	15	512.11	Difference between check and return
4/96	21	410.00	
4/96	21	185.00	
4/96	21	75.98	
4/96	21	250.00	
4/96	21	1,000.00	
4/96	21	3.71	Difference between check and return
2/96	14	250.00	
2/96	14	324.51	
2/96	14	410.00	
2/96	14	500.00	
2/96	14	1,000.00	
2/96	14	250.00	
2/96	14	317.55	NSF Redeposited - No check in batch
2/96	3	32.55	
2/96	3	0.65	Difference between check and return
1/96	22	37.44	
1/96	22	2,000.00	
1/96	22	77.02	
1/96	8	2,500.00	
1/96	8	96.00	
1/96	8	186.00	
1/96	8	381.40	
1/96	8	17.55	
10/95	20	0.48	
10/95	20	55.89	
10/95	2	2,140.00	
10/95	2	69.55	
10/95	2	62.33	
10/95	2	1,172.31	
10/95	2	1,191.54	
10/95	2	116.08	
10/95	2	2,000.00	
10/95	2	170.22	
10/95	2	400.00	
10/95	2	44.89	
10/95	2	38.93	NSF Redeposited - No check in batch
9/95	14	440.00	
9/95	14	170.22	
9/95	14	32.96	
9/95	14	21.00	

VERNON SALES TAX FORMS RECORDED IN THE BOOKS OF VERNON SALES
TAX AGENCY WITH NO CORRESPONDING DEPOSIT INTO THE BANK ACCOUNT
ATTACHMENT A

DATE	BATCH #	AMOUNT	
9/95	14	2,000.00	
9/95	14	135.41	
9/95	14	629.53	
9/95	14	1,924.23	
9/95	14	53.46	
9/95	14	200.00	
9/95	14	369.00	NSF Redeposited - No check in batch
9/95	14	51.07	NSF Redeposited - No check in batch
9/95	14	296.00	NSF Redeposited - No check in batch
8/95	14	53.19	
8/95	14	98.12	
8/95	14	1,000.00	
8/95	14	200.00	
8/95	14	200.00	
8/95	14	31.80	
8/95	14	87.00	
8/95	14	96.75	
8/95	14	2.78	
7/95	7	2,000.00	
7/95	7	200.00	
7/95	7	29.98	
7/95	7	23.63	
7/95	7	200.00	
7/95	7	21.17	
7/95	7	26.10	
7/95	7	16.04	Difference between check and return
7/95	7	28.10	Difference between check and return
7/95	7	187.42	NSF Redeposited - No check in batch
5/95	5	23.52	
5/95	5	7.81	
5/95	5	38.79	
5/95	5	20.11	
5/95	5	8.87	
5/95	5	23.90	
5/95	5	17.62	
5/95	5	98.90	
5/95	5	(19.66)	Difference between check and return
5/95	5	152.09	
4/95	10	0.99	
4/95	10	3.56	
4/95	10	0.45	
4/95	10	116.07	
4/95	10	4.64	
4/95	10	128.66	
4/95	10	27.76	
4/95	10	200.00	
4/95	10	48.69	
3/95	18	86.35	
3/95	18	17.44	
3/95	18	57.50	
3/95	18	92.65	
2/95	3	178.61	
11/94	3	112.84	NSF Redeposited - No check in batch
11/94	3	329.00	NSF Redeposited - No check in batch
11/94	3	2,734.25	NSF Redeposited - No check in batch
11/94	1	171.53	
11/94	1	187.96	
11/94	1	209.77	
11/94	1	139.96	
11/94	1	141.90	

VERNON SALES TAX FORMS RECORDED IN THE BOOKS OF VERNON SALES
TAX AGENCY WITH NO CORRESPONDING DEPOSIT INTO THE BANK ACCOUNT
ATTACHMENT A

DATE	BATCH #	AMOUNT	
11/94	1	638.41	
11/94	1	222.69	
11/94	1	194.15	
11/94	1	139.96	
11/94	1	143.07	
11/94	1	99.88	
11/94	1	104.75	
11/94	1	105.50	
11/94	1	230.41	
11/94	1	258.96	
11/94	1	212.14	
11/94	1	174.17	
11/94	1	191.14	
11/94	1	216.72	
11/94	1	(1,900.00)	
11/94	1	(900.00)	
10/94	1	430.10	
10/94	1	193.00	
10/94	1	324.00	
10/94	1	102.83	
10/94	1	102.83	
10/94	1	238.44	
9/94	6	2,342.38	NSF Redeposited - No check in batch
8/94	13	700.04	
8/94	13	33.78	
8/94	1	28.00	
8/94	1	233.55	
6/94	16	144.76	
6/94	16	184.53	
6/94	16	192.40	
6/94	16	204.03	
6/94	16	184.31	
6/94	16	(267.53)	Difference between check and return
6/94	16	3.50	Difference between check and return
6/94	5	144.76	
6/94	5	60.00	
6/94	5	52.88	
6/94	5	55.81	
6/94	5	65.38	
6/94	5	407.95	
6/94	5	226.48	
6/94	5	158.94	
6/94	5	19.20	
6/94	5	2,382.76	
6/94	5	1,446.15	
6/94	5	200.00	
6/94	5	35.00	
6/94	5	(1,051.11)	Difference between check and return
6/94	5	13.21	Difference between check and return
5/94	3	57.47	
5/94	3	50.00	
5/94	3	125.00	
5/94	3	3.97	Difference between check and return
4/94	8	2.28	
4/94	8	70.21	
4/94	8	144.76	
4/94	3	200.00	
4/94	3	39.05	
4/94	3	7.89	
4/94	3	727.09	

VERNON SALES TAX FORMS RECORDED IN THE BOOKS OF VERNON SALES
TAX AGENCY WITH NO CORRESPONDING DEPOSIT INTO THE BANK ACCOUNT
ATTACHMENT A

DATE	BATCH #	AMOUNT	
4/94	3	27.92	
4/94	3	70.19	
4/94	3	82.26	
4/94	3	64.82	
4/94	3	68.74	
4/94	3	4.38	Difference between check and return
4/94	3	450.00	
4/94	3	(54.94)	Difference between check and return
3/94	5	(58.15)	Difference between check and return
3/94	5	32.89	
3/94	5	107.06	
3/94	5	34.20	
3/94	5	92.20	
3/94	5	30.00	Difference between check and return
3/94	5	7.05	Difference between check and return
3/94	5	16.05	Difference between check and return
2/94	5	22.02	
2/94	5	122.16	
2/94	5	42.85	
2/94	5	14.09	
2/94	5	47.12	
2/94	5	72.16	
2/94	5	43.71	
2/94	5	40.58	
2/94	5	36.10	
2/94	5	32.65	
2/94	5	20.75	
2/94	5	46.82	
2/94	5	26.50	
2/94	1	0.05	Difference between check and return
1/94	3	77.68	
12/93	3	14.61	
12/93	3	5.13	
12/93	3	13.68	
11/93	10	0.64	
11/93	10	79.00	Difference between check and return
11/93	10	25.27	
11/93	10	41.38	
11/93	10	1.67	Difference between check and return
11/93	3	180.00	
10/93	6	1,184.74	
10/93	2	19.14	
10/93	2	2,276.53	
9/93	16	293.08	
9/93	16	1,176.30	
9/93	16	0.14	
9/93	2	920.97	
9/93	2	8.00	
8/93	3	119.77	
8/93	3	1,344.89	
8/93	3	123.00	Difference between check and return
8/93	3	(197.54)	Difference between check and return
Total sales tax forms with no check in deposit or cash receipt		143,650.94	

**VERNON SALES TAX FORMS RECORDED IN THE BOOKS OF VERNON SALES
TAX AGENCY WITH NO CORRESPONDING DEPOSIT INTO THE BANK ACCOUNT
ATTACHMENT A**

DATE	BATCH #	AMOUNT
Differences in cash on bank statement and cash receipts identified		
6/99	15	(15.69)
5/99	16	(4.08)
4/99	22	(3.72)
3/99	16	(255.10)
2/99	16	(122.01)
1/99	2	(9.43)
12/98	4	(281.90)
10/98	21	177.49
9/98	16	(2.49)
6/98	16	(409.31)
2/98	16	(101.00)
11/97	13	(2.93)
10/97	2	(287.78)
10/97	22	(0.01)
9/97	16	(762.54)
7/97	24	12.47
5/97	11	(103.53)
3/97	14	21.81
1/97	22	(128.99)
12/96	2	(2.22)
12/96	2	7.56
10/96	19	(159.37)
10/96	19	(29.51)
9/96	16	4.78
8/96	15	52.50
8/96	15	(32.70)
7/96	21	(33.72)
6/96	11	(356.79)
5/96	15	(233.31)
4/96	21	(2.67)
2/96	3	(33.20)
1/96	22	(77.03)
1/96	8	(135.19)
10/95	20	(116.87)
10/95	2	(1,949.19)
9/95	14	(4.73)
8/95	14	0.50
7/95	7	(193.00)
5/95	5	2.74
4/95	10	(0.26)
2/95	3	(97.58)
11/94	3	46.62
11/94	1	(179.74)
10/94	1	837.70
9/94	16	754.16
9/94	6	(54.35)
8/94	1	489.56
5/94	3	(133.73)
4/94	8	(69.11)
4/94	3	287.81
3/94	5	15.58
2/94	5	23.47
2/94	1	1,083.39
1/94	3	907.71
12/93	3	141.23
11/93	10	(185.31)
10/93	6	(7.45)
10/93	2	(2,295.67)

VERNON SALES TAX FORMS RECORDED IN THE BOOKS OF VERNON SALES
TAX AGENCY WITH NO CORRESPONDING DEPOSIT INTO THE BANK ACCOUNT
ATTACHMENT A

<u>DATE</u>	<u>BATCH #</u>	<u>AMOUNT</u>
9/93	16	(294.30)
9/93	2	(45.66)
8/93	8	(24.22)
8/93	8	24.22
8/93	3	<u>371.63</u>
Total forms missing checks less cash deposits		<u><u>139,676.48</u></u>

**Vernon Parish School Board
Leesville, Louisiana**

ATTACHMENT B

VERNON SALES TAX
CHECKS DEPOSITED INTO THE BANK ACCOUNT WITH NO CORRESPONDING TAX FORM
RECORDED IN THE BOOKS OF THE VERNON SALES TAX AGENCY
ATTACHMENT B

DATE	BATCH #	AMOUNT	
7/99	10	5,435.06	
6/99	15	5,305.04	
6/99	15	8,000.00	6/99 check on audit (Gary Lambert)
3/99	16	200.00	
1/99	24	2,380.89	
1/99	24	3,069.88	
1/99	24	382.89	
10/98	21	940.00	
10/98	21	2,799.68	
10/98	21	933.37	
9/98	16	366.28	
8/98	18	3,263.54	
8/98	1	3,433.50	
6/98	16	40.01	
6/98	16	685.47	
6/98	16	262.40	
5/98	17	227.50	5/98 boat registration not recorded
5/98	17	245.13	
5/98	17	457.93	
4/98	21	770.50	
4/98	21	418.14	
3/98	16	1,446.08	Audit not recorded (Gary Lambert)
3/98	16	110.25	
2/98	16	260.12	
2/98	16	318.03	
2/98	16	1,773.24	
2/98	16	1,138.31	
1/98	23	811.28	
1/98	23	1,074.73	
11/97	13	1,384.56	
10/97	2	431.69	
10/97	22	680.19	
10/97	22	2,652.00	
9/97	16	147.22	
9/97	16	3,832.67	
7/97	24	381.64	
7/97	24	506.39	
7/97	24	99.35	
5/97	11	371.91	
5/97	11	518.56	
5/97	11	460.02	
4/97	21	508.41	
4/97	21	2,803.61	
4/97	21	1,123.36	
4/97	21	223.96	
3/97	14	1,291.05	
3/97	14	365.71	
2/97	16	502.95	
2/97	16	574.17	
2/97	16	240.00	
2/97	16	726.16	
1/97	22	487.92	
1/97	22	234.96	
1/97	22	309.13	
1/97	22	222.27	
1/97	22	267.34	
1/97	22	652.98	
12/96	17	163.68	
12/96	17	256.79	
12/96	17	142.35	
12/96	2	290.17	
12/96	2	697.46	

VERNON SALES TAX
CHECKS DEPOSITED INTO THE BANK ACCOUNT WITH NO CORRESPONDING TAX FORM
RECORDED IN THE BOOKS OF THE VERNON SALES TAX AGENCY
ATTACHMENT B

DATE	BATCH #	AMOUNT
12/96	2	1,436.79
12/96	2	46.64
12/96	2	307.76
10/96	19	101.85
10/96	19	406.84
10/96	19	594.10
10/96	19	528.33
10/96	19	1,379.00
9/96	16	1,872.41
9/96	16	68.58
9/96	16	69.12
9/96	16	134.23
8/96	15	910.00
8/96	15	105.53
8/96	15	163.60
8/96	15	462.60
7/96	21	856.29
7/96	21	422.01
7/96	21	191.30
7/96	21	464.40
7/96	21	298.09
6/96	11	4.00
6/96	11	9.77
6/96	11	26.60
6/96	11	1,959.00
6/96	11	175.47
6/96	11	396.78
6/96	11	29.75
6/96	11	141.33
6/96	11	430.55
6/96	11	96.46
5/96	15	389.09
5/96	15	489.83
5/96	15	140.46
5/96	15	353.91
5/96	15	174.65
5/96	15	495.00
4/96	21	35.71
4/96	21	24.65
4/96	21	171.75
4/96	21	217.06
4/96	21	146.87
4/96	21	1,325.98
2/96	14	570.23
2/96	14	1,107.70
2/96	14	1,374.13
1/96	22	108.00
1/96	22	406.91
1/96	22	759.15
1/96	22	323.90
1/96	22	331.24
1/96	22	108.24
1/96	8	412.63
1/96	8	76.27
1/96	8	358.06
1/96	8	200.00
1/96	8	449.95
1/96	8	90.54
1/96	8	93.71
1/96	8	70.96
1/96	8	96.67
1/96	8	145.28
1/96	8	65.43

**VERNON SALES TAX
CHECKS DEPOSITED INTO THE BANK ACCOUNT WITH NO CORRESPONDING TAX FORM
RECORDED IN THE BOOKS OF THE VERNON SALES TAX AGENCY
ATTACHMENT B**

DATE	BATCH #	AMOUNT
1/96	8	808.00
1/96	8	173.41
1/96	8	4.85
10/95	20	27.00
10/95	20	62.67
10/95	20	158.29
10/95	20	288.51
10/95	20	172.41
10/95	20	397.16
10/95	20	391.97
10/95	20	181.35
10/95	20	324.05
10/95	20	176.58
10/95	20	12.16
10/95	20	51.16
10/95	20	151.87
10/95	20	2,361.86
10/95	20	3.82
10/95	2	259.48
10/95	2	173.41
10/95	2	202.41
9/95	14	384.74
9/95	14	4,800.81
9/95	14	34.72
9/95	14	152.47
9/95	14	39.34
9/95	14	116.53
9/95	14	122.67
9/95	14	61.00
9/95	14	605.87
8/95	14	35.96
8/95	14	152.71
8/95	14	35.96
8/95	14	35.96
8/95	14	102.78
8/95	14	49.93
8/95	14	172.80
8/95	14	27.17
8/95	14	309.06
8/95	14	151.81
8/95	14	696.00
7/95	7	724.40
7/95	7	1,421.97
7/95	7	393.07
5/95	5	2.74
5/95	5	371.95
4/95	10	48.95
4/95	10	6.60
4/95	10	33.75
4/95	10	228.00
4/95	10	136.00
4/95	10	31.69
4/95	10	181.10
4/95	10	2.81
3/95	18	115.60
2/95	3	81.03
11/94	3	1,496.26
11/94	3	1,720.39
11/94	3	6.06
11/94	1	462.62
11/94	1	187.11
11/94	1	136.32
11/94	1	17.28

VERNON SALES TAX
CHECKS DEPOSITED INTO THE BANK ACCOUNT WITH NO CORRESPONDING TAX FORM
RECORDED IN THE BOOKS OF THE VERNON SALES TAX AGENCY
ATTACHMENT B

DATE	BATCH #	AMOUNT
10/94	1	701.80
10/94	1	1,198.10
10/94	1	329.00
9/94	16	754.16
9/94	6	1,496.19
9/94	6	581.00
9/94	6	135.84
9/94	6	75.00
8/94	13	387.82
8/94	13	346.00
8/94	1	751.11
6/94	16	646.00
6/94	5	27.05
6/94	5	43.65
6/94	5	157.50
6/94	5	115.54
6/94	5	561.00
6/94	5	202.36
6/94	5	1,139.22
6/94	5	216.87
6/94	5	57.77
6/94	5	1,447.95
6/94	5	248.50
5/94	3	102.71
4/94	8	148.14
4/94	3	1,832.47
4/94	3	0.52
4/94	3	116.75
4/94	3	25.47
3/94	5	90.15
3/94	5	93.74
3/94	5	92.99
2/94	5	10.54
2/94	5	145.00
2/94	5	102.73
2/94	5	332.71
2/94	1	26.02
2/94	1	1,011.27
2/94	1	46.15
1/94	3	985.39
12/93	3	12.37
12/93	3	0.21
12/93	3	162.07
11/93	10	30.37
11/93	10	112.28
10/93	6	833.25
10/93	6	62.67
10/93	6	93.12
10/93	6	20.00
10/93	6	114.23
10/93	6	21.93
10/93	6	10.16
10/93	6	21.93
9/93	16	738.85
9/93	16	436.37
9/93	2	883.31
8/93	3	543.07
8/93	3	839.64
8/93	3	379.04

Total checks deposited with no sales tax form 139,676.48

**Vernon Parish School Board
Leesville, Louisiana**

MANAGEMENT'S RESPONSE

Vernon Parish School Board

201 Belview Road
LEESVILLE, LOUISIANA 71446
(318) 239-3401
Fax (318) 238-5777

BOARD MEMBERS:

District One
R. W. "Dickie" Bailes
Gerald Burns
A. C. "Chuck" Dowden, Jr.
M. Gene Haymon
C. A. Hughes
Kim Reese
Mark H. Smith
Linda West
Betty Westerchil

District Two
W. W. "Bill" Parker

District Three
Willis A. Farris

District Four
Murphy O'Banion

District Five
B. R. Harvey

District Six
Philip L. Gunn

District Seven
Benard McKee

December 3, 1999

Members of the Board
Vernon Parish School Board
Leesville, Louisiana

RE: Vernon Sales Tax
Agreed-Upon Procedures Engagement

Dear Members of the Board:

Per the request of Management and with the approval of the Board, the School Board entered into a contract with Allen, Green & Company, LLP, Certified Public Accountants to perform an agreed-upon procedures engagement regarding the potential misappropriation of funds in the sales tax department. Allen, Green & Company, LLP has completed one of the two reports. Their first report covers the period July 1, 1996 through July 20, 1999. Their second forthcoming report covers the period prior to July 1, 1996.

Their engagement agreement is a three-party contract including Daniel G. Kyle, Ph.D., CPA, CFE, Louisiana Legislative Auditor. Dr. Kyle has requested that the School Board respond to the findings in the recently issued report of Allen, Green & Company, LLP. Accordingly, we have the following comments:

The Board and Management of the School Board has aggressively pursued the investigation of the potential misappropriation of funds since we were made aware of the situation.

Within hours of Management being notified of the possible misappropriation, (1) the District Attorney of Vernon Parish was notified, (2) arrangements were made with our external auditors to investigate the matter, (3) a formal interview was held with the sales tax manager, (4) the insurance bonding company was notified, (5) the Legislative Auditor's Office was notified and (6) the Members of the Board were briefed.

The sales tax manager was immediately suspended with pay pending the outcome of the investigation. Within a few days of the suspension, the sales tax manager resigned.

From the start the Board's position has been that a thorough investigation be conducted and possible restitution for any misappropriation be pursued vigorously and to the fullest extent permitted by law.

Soon after the incident surfaced, the director of finance implemented a policy that the sales tax department no longer accepted cash payments. All vendor payments must be by personal or business check, money order or cashier's check. Posters informing the public of the new policy were placed in prominent places, including on the door entrance to the sales tax department.

Board Members
Vernon Parish School Board
Leesville, Louisiana

The sales tax manager's position was abolished and direct supervision of the sales tax department was placed under the director of finance.

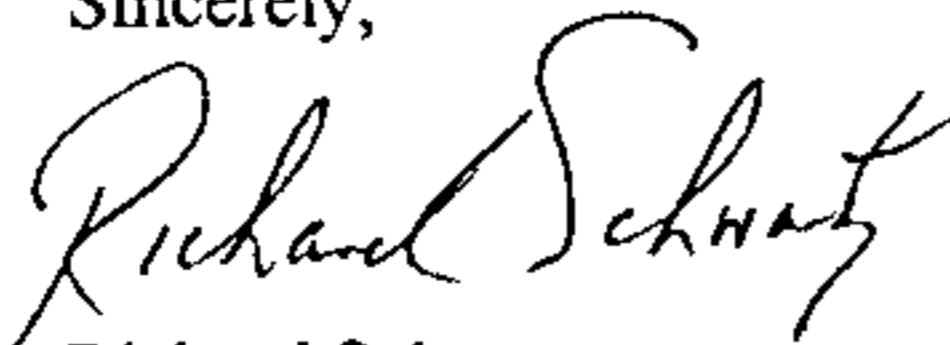
Soon after the incident surfaced, other governments in Vernon Parish that levy sales tax were notified. Later, a meeting was held with all taxing governments to brief them on the situation.

Due to the period of time the potential misappropriations occurred, two insurance carriers had employee fidelity policies during the time period. A claim has been filed with the insurance carrier that the proposed misappropriation has been determined. As soon as the second agreed-upon procedures report is issued by Allen, Green & Company, LLP, a claim will be filed with the other insurance carrier.

The first report of Allen, Green & Company, LLP, has been submitted to the District Attorney of Vernon Parish.

The School Board will continue its aggressive position of investigating and seeking restitution of any misappropriated funds.

Sincerely,

A handwritten signature in cursive script that reads "Richard Schwartz". The signature is written in black ink and is positioned above the printed name and title.

Richard Schwartz
Superintendent