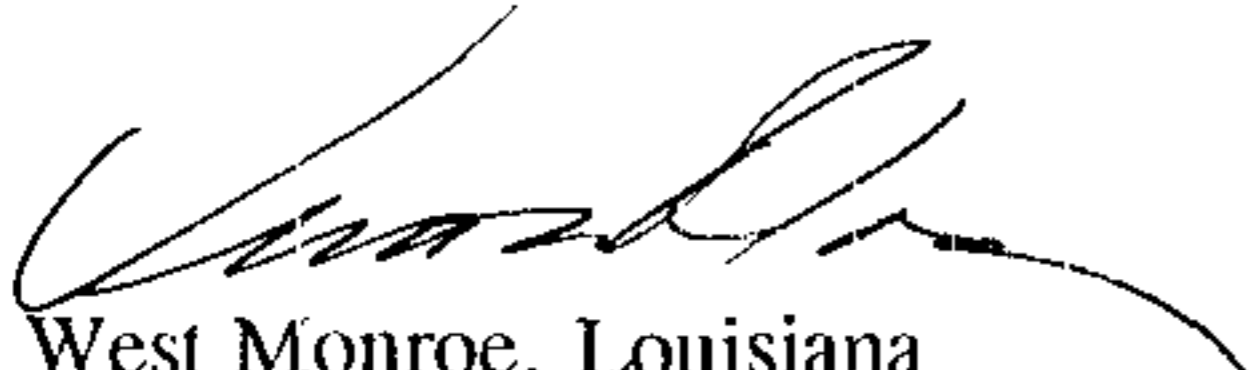


DESOTO PARISH SALES AND
USE TAX COMMISSION
Mansfield, Louisiana
Independent Auditor's Report
on Internal Control Structure,
June 30, 1997

structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the general purpose 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. I noted no matters involving the internal control structure and its operation that I considered to be material weaknesses as defined above.

This report is intended for the information of the DeSoto Parish Sales and Use Tax Commission. This is not intended to limit the distribution of this report, which is a matter of public record.


West Monroe, Louisiana
September 8, 1997



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LOUISIANA 71291
PHONE 318.325.2121
TOLL FREE LOUISIANA
1.800.541.5020
FAX 318.324.1630

Independent Auditor's Report on the Internal Control Structure

DESOTO PARISH SALES AND USE TAX COMMISSION Mansfield, Louisiana

I have audited the financial statements of the DeSoto Parish Sales and Use Tax Commission as of June 30, 1997, and for of the year then ended, and have issued my report thereon dated September 8, 1997.

I conducted my audit in accordance with generally accepted auditing standards: *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards and the audit guide require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the DeSoto Parish Sales and Use Tax Commission 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 my audit of the financial statements of the DeSoto Parish Sales and Use Tax Commission for the year ended June 30, 1997, I obtained an understanding of the internal control structure. With respect to the internal control

**Independent Auditor's Report on Compliance
With Laws, Regulations, and Contracts**

**DESOTO PARISH SALES AND
USE TAX COMMISSION**
Mansfield, Louisiana

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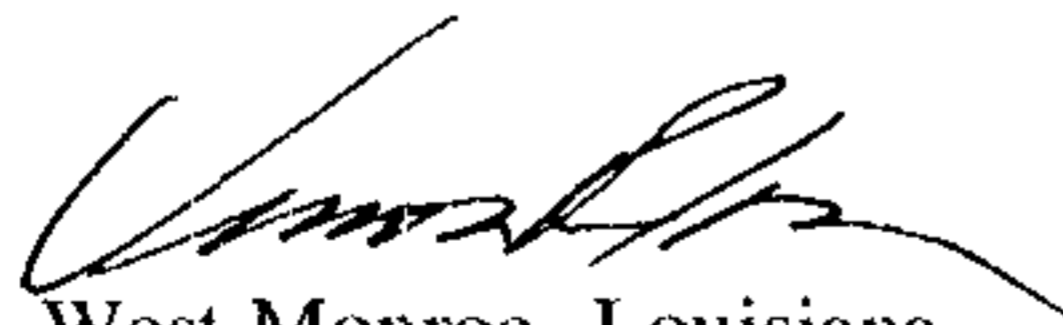
I have audited the financial statements of the DeSoto Parish Sales and Use Tax Commission as of June 30, 1997, and for the year then ended, and have issued my report thereon dated September 8, 1997.

I conducted my audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards and the audit guide require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, and contracts applicable to the DeSoto Parish Sales and Use Tax Commission, is the responsibility of the DeSoto Parish Sales and Use Tax Commission's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the DeSoto Parish Sales and Use Tax Commission's compliance with certain provisions of laws, regulations and contracts. However, the objective of my audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the DeSoto Parish Sales and Use Tax Commission. This is not intended to limit the distribution of this report, which is a matter of public record.



West Monroe, Louisiana
September 8, 1997

116 PROFESSIONAL DRIVE,
WEST MONROE,
LOUISIANA 71291
PHONE 318.325.2121
TOLL FREE LOUISIANA
1.800.541.5020
FAX 318.324.1630

**Independent Auditor's Reports Required
by *Government Auditing Standards***

The following independent auditor's reports on compliance with laws, regulations, and contracts, and the internal control structure are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

DESOTO PARISH SALES AND USE
TAX COMMISSION
Mansfield, Louisiana
FIDUCIARY FUND TYPE - SALES TAX COLLECTION
AGENCY FUND

Schedule of Changes in Balances
Due to Others
For the Year Ended June 30, 1997

DEPOSIT BALANCE AT BEGINNING OF YEAR	<u>\$3,000</u>
ADDITIONS	
Sales tax collections	<u>7,573,102</u>
DEDUCTIONS	
Taxes distributed to others:	
DeSoto Parish School Board	4,578,731
DeSoto Parish Police Jury	1,995,740
City of Mansfield	623,602
Town of Logansport	130,971
Village of South Mansfield	22,456
Town of Stonewall	53,792
Village of Grand Cane	4,767
Town of Keachi	690
Collection fees (transferred to General Fund)	<u>162,353</u>
Total deductions	<u>7,573,102</u>
 DEPOSIT BALANCE AT END OF YEAR	 <u><u>\$3,000</u></u>

DESOTO PARISH SALES AND USE
TAX COMMISSION
Mansfield, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended June 30, 1997

FIDUCIARY FUND TYPE - AGENCY FUND

SALES TAX COLLECTION FUND

Article VII, Section 3 of the Louisiana Constitution of 1974, provides that the commission shall be authorized to serve as the single collector of sales and use taxes in DeSoto Parish. The Sales Tax Collection Agency Fund is used to account for the collection and distribution of these taxes to the appropriate taxing bodies.

DESOTO PARISH SALES AND USE
TAX COMMISSION
Mansfield, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Schedule of Expenditures, By Character
For the Year Ended June 30, 1997

PERSONAL SERVICES	
Salaries	\$98,492
Retirement contributions	16,054
Group insurance contributions	11,896
Medicare taxes	1,039
Workmen's compensation	500
Unemployment compensation	500
Total personal services	<u>128,481</u>
OPERATING SERVICES	
Data processing services	6,703
Legal services	3,500
Audit costs	3,140
Dues and subscriptions	2,111
Advertising	110
Postage and permits	5,100
Contracted janitorial services	1,820
Utilities	1,600
Repairs and upkeep of equipment	1,800
Repairs and upkeep of building	490
Building lease	1
Telephone	2,700
Insurance	1,361
Bank charges	155
Total operating services	<u>30,591</u>
MATERIALS AND SUPPLIES	
Office supplies	1,612
Printing forms	1,700
Total materials and supplies	<u>3,312</u>
TRAVEL AND OTHER	
Travel	<u>5,000</u>
CAPITAL OUTLAY	
Equipment	<u>3,100</u>
Total expenditures	<u><u>\$170,484</u></u>

DESOTO PARISH SALES AND USE
TAX COMMISSION
Mansfield, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended June 30, 1997

GOVERNMENTAL FUND TYPE - GENERAL FUND

The General Fund is used to account for the general operating expenditures of the commission. Schedule 1 provides a detail of expenditures, by category, for the General Fund.

SUPPLEMENTAL INFORMATION SCHEDULES

DESOTO PARISH SALES AND USE
TAX COMMISSION
Mansfield, Louisiana
Notes to the Financial Statements (Continued)

5. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

For the year ended June 30, 1997, the commission had long-term obligations consisting solely of compensated absences. The following is a summary of changes in compensated absences for the year ended June 30, 1997:

Compensated absences payable at July 1, 1996	\$1,506
Additions	4,834
Reductions	<u>(4,569)</u>
Compensated absences payable at June 30, 1997	<u>\$1,771</u>

6. TAX REFUND PAYABLE

On May 12, 1993, the DeSoto Parish Police Jury adopted a resolution endorsing the participation of International Paper Company in the Louisiana Enterprise Zone Program. Accordingly, the commission has established an escrow account to accumulate the sales and use taxes assessed by the police jury and paid by the company's contractor which are refundable to the company. At June 30, 1997, the balance in the escrow account, payable to International Paper Company, is \$145,390.

7. LITIGATION AND CLAIMS

In the opinion of the commission's legal counsel, the commission is not involved in any litigation at June 30, 1997, that would materially affect the financial position of the commission nor is it aware of any unasserted claims.

DESOTO PARISH SALES AND USE
TAX COMMISSION
Mansfield, Louisiana
Notes to the Financial Statements (Continued)

3. PENSION PLAN

All employees of the commission are members of the Louisiana Teachers' Retirement System (TRS) under an agreement with the DeSoto Parish School Board. This system is a cost-sharing, multiple-employer defined benefit pension plan. Pertinent information relative to the plan follows:

The TRS consists of three membership plans: Regular Plan, Plan A, and Plan B. Employees of the commission are members of the Regular Plan. The TRS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRS. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (504) 925-6446.

Plan members are required to contribute 8.0 percent of their annual covered salary. The commission is required to contribute at an actuarially determined rate. The current rate is 16.3 percent of annual covered payroll for all three membership plans. Member contributions and employer contributions for the TRS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The employer contribution for the TRS, as provided by state law, is funded by the State of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the commission.

The commission's contributions to the TRS for the years ending June 30, 1997, 1996, and 1995, were \$16,054, \$14,738, and \$13,977, respectively, equal to the required contributions for each year.

4. CHANGES IN AGENCY FUND BALANCES

A summary of changes in sales tax collection agency fund balance due to others follows:

Balance at July 1, 1996	\$3,000
Additions	7,573,102
Deductions	<u>(7,573,102)</u>
Balance at June 30, 1997	<u><u>\$3,000</u></u>

DESOTO PARISH SALES AND USE
 TAX COMMISSION
 Mansfield, Louisiana
 Notes to the Financial Statements (Continued)

G. VACATION AND SICK LEAVE

All employees earn from 10 to 20 days vacation leave each year depending on length of service. Unused vacation leave may be carried forward to the succeeding year up to a maximum of 5 days and is paid to employees upon separation from service.

All employees receive one day of sick leave per month. Sick leave may be accumulated, however upon separation from service, all unused sick leave is forfeited.

At June 30, 1997, employees of the commission have accumulated and vested \$1,771 of employee leave benefits, computed in accordance with GASB Codification Section C60. The liability is recorded within the general long-term obligations account group.

The cost of leave privileges, computed in accordance with the previous codification, is recognized as a current-year expenditure within the general fund when leave is actually taken or when employees are paid for accrued leave under the conditions previously outlined.

**H. TOTAL COLUMN ON THE
 BALANCE SHEET**

The total column on the balance sheet is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis (overview). Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. CHANGES IN GENERAL FIXED ASSETS

The following schedule presents changes in office furnishings and equipment for the year ended June 30, 1997:

Balance at July 1, 1996	\$63,110
Additions	3,057
Deletions	<u>(2,511)</u>
Balance at June 30, 1997	<u>\$63,656</u>

DESOTO PARISH SALES AND USE
TAX COMMISSION
Mansfield, Louisiana
Notes to the Financial Statements (Continued)

expenditures, and/or beginning fund balance, must be approved in advance by the city, school board, and police jury.

Appropriations lapse at year-end and must be reappropriated for the following year to be expended. Budgeted amounts included in the accompanying financial statements include the original budget amounts and any subsequent amendments.

F. CASH

Under state law, the commission may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The commission may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 1997, the commission has cash (book balances) totaling \$149,629.

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. Cash and cash equivalents (bank balances) at June 30, 1997, are secured as follows:

Bank Balances	<u>\$170,768</u>
Federal deposit insurance	\$100,000
Pledged securities (uncollateralized)	<u>747,571</u>
Total	<u>\$847,571</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the sales tax commission, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, 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 sales tax commission that the fiscal agent bank has failed to pay deposited funds upon demand. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the tax commission's name.

DESOTO PARISH SALES AND USE
TAX COMMISSION
Mansfield, Louisiana
Notes to the Financial Statements (Continued)

Based on the above criteria, fees, charges, and commissions for services are treated as susceptible to accrual.

Expenditures:

Expenditures are generally recognized under the modified accrual basis when the related fund liability is incurred.

E. BUDGET PRACTICES

The following presents the budgetary calendar process for the DeSoto Parish Sales Tax Commission:

During March and April the administrator prepares a preliminary budget for presentation to the commission. In accordance with adopted policies of the commission, the budget document must include the following:

1. A budget message, signed by the administrator, which includes a summary description of the most important features and objectives of the budget.
2. A budget summary listing, by account group.
3. A proposed budget adoption resolution for the city, school board, and police jury.

The commission then reviews the proposed budget, makes any changes it deems appropriate, and approves the budget for submission to the taxing bodies on or before May 1.

The city, school board, and police jury, no later than June 15, approve or reject the budget.

During the year, the administrator is authorized, subject to approval of the commission, to make changes within budget classifications as he may deem appropriate. However, any reallocation of budgeted amounts in excess of 5% of total revenues, total

DESOTO PARISH SALES AND USE
TAX COMMISSION
Mansfield, Louisiana
Notes to the Financial Statements (Continued)

C. FIXED ASSETS AND LONG-TERM OBLIGATIONS

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the General Fund. All of the fixed assets are valued at actual historical costs. No depreciation has been provided on general fixed assets.

Only that portion of long-term obligations for compensated absences expected to be financed from expendable available financial resources is reported as a liability of the general fund. The remaining portion of such obligations is reported in the general long-term obligations account group.

D. BASIS OF ACCOUNTING

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for reporting the governmental and fiduciary fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The commission uses the following practices in recording revenues and expenditures:

Revenues:

Fees for the collection of sales and use taxes are recorded when the commission is entitled to the funds which is normally the same month the taxes are collected.

Interest income on demand deposits is recorded monthly when the interest is earned and credited to the account.

DESOTO PARISH SALES AND USE
TAX COMMISSION
Mansfield, Louisiana
Notes to the Financial Statements (Continued)

B. FUND ACCOUNTING

The commission uses funds and account groups to report on financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term obligations) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories; governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The commission's current operations require the use of governmental and fiduciary funds as described below:

Governmental Fund Type - General Fund

The General Fund is the principal fund and is used to account for the operations of the commission. The commission's primary source of revenue is fees for the collection of sales and use taxes. General operating expenditures are paid from this fund.

**Fiduciary Fund Type - Sales Tax
Collection Agency Fund**

The Sales Tax Collection Agency Fund is used to account for the collection and distribution of sales and use taxes imposed by the various taxing authorities within the parish. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

**DESOTO PARISH SALES AND USE
TAX COMMISSION
Mansfield, Louisiana**

Notes to the Financial Statements
As of and For the Year Ended June 30, 1997

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article VII, Section 3 of the Louisiana Constitution of 1974, the DeSoto Parish Sales and Use Tax Commission serves as the collector of sales and use taxes for the parish. The commission is comprised of five members, two each selected from the DeSoto Parish School Board and the DeSoto Parish Police Jury and one selected from the City of Mansfield, in accordance with a joint agreement of the agencies. The commissioners serve for indefinite terms and without benefit of compensation.

A. REPORTING ENTITY

GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The DeSoto Parish Sales and Use Tax Commission was created as a political subdivision of the state under the provisions of Article VII, Section 3, of the Louisiana Constitution of 1974. Commission board members are appointed by taxing authorities imposing sales taxes within the parish and are solely accountable for fiscal matters, which include fiscal management for controlling the collection and disbursement of funds. Additionally, the commission is the collector for all sales and use taxes within the parish. Based on the above, the commission was determined to be a separate governmental reporting entity. The commission includes all funds, account groups, activities, et cetera, that are within the primary responsibility of the commission. Certain units of local government over which the commission exercises no primary responsibility, such as the DeSoto Parish Police Jury, School Board, Assessor, Clerk of Court, and municipalities within the parish, are excluded from the accompanying financial statements. These units of local government are governed by independently elected officials. They are neither controllable by nor answerable to the DeSoto Parish Sales and Use Tax Commission. Further, their operations do not require the approval of the commission nor is the commission legally or morally responsible for their actions. They are considered separate reporting entities and issue financial statements separate from those of the DeSoto Parish Sales and Use Tax Commission.

DESOTO PARISH SALES AND USE
TAX COMMISSION
Mansfield, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget
(GAAP) Basis and Actual
For the Year Ended June 30, 1997

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Fees, charges, and commissions for services	\$164,253	\$162,353	(\$1,900)
Use of money and property	300	252	(48)
Total revenues	<u>164,553</u>	<u>162,605</u>	<u>(1,948)</u>
EXPENDITURES			
Finance and administrative:			
Current:			
Personal services and related benefits	128,481	127,475	1,006
Operating services	30,591	28,180	2,411
Materials and supplies	3,312	3,852	(540)
Travel and other charges	5,000	4,992	8
Capital outlay	3,100	3,057	43
Total expenditures	<u>170,484</u>	<u>167,556</u>	<u>2,928</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(5,931)	(4,951)	980
OTHER FINANCING SOURCE			
Sale of assets	<u>NONE</u>	<u>259</u>	<u>259</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES	(5,931)	(4,692)	1,239
FUND BALANCE AT BEGINNING OF YEAR	<u>5,931</u>	<u>5,931</u>	
FUND BALANCE AT END OF YEAR	<u><u>NONE</u></u>	<u><u>\$1,239</u></u>	<u><u>\$1,239</u></u>

The accompanying notes are an integral part of this statement.

DESOTO PARISH SALES AND USE
TAX COMMISSION
Mansfield, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, June 30, 1997

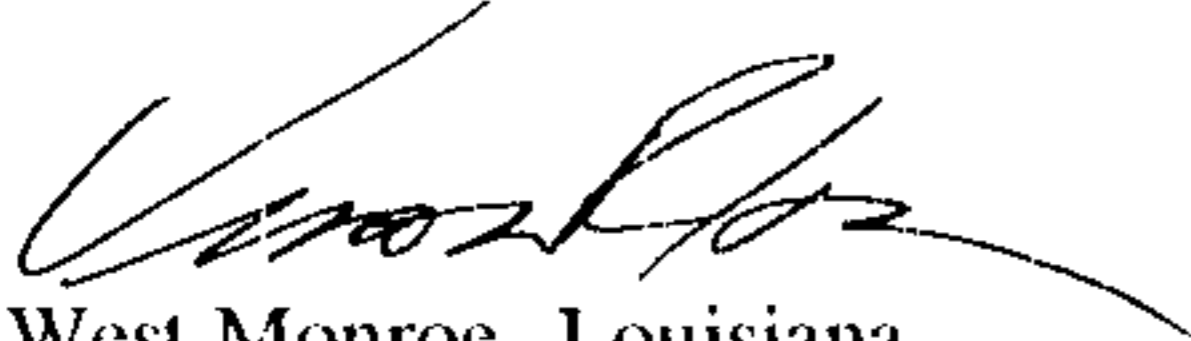
	GOVERNMENTAL FUND TYPE - GENERAL FUND	FIDUCIARY FUND TYPE - SALES TAX COLLECTION AGENCY FUND	...ACCOUNT GROUPS... GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	TOTAL (MEMORANDUM ONLY)
ASSETS AND OTHER DEBITS					
Cash	\$146,629	\$3,000			\$149,629
Office furnishings and equipment			\$63,656		63,656
Amount to be provided for retirement of general long-term obligations				\$1,771	1,771
TOTAL ASSETS AND OTHER DEBITS	\$146,629	\$3,000	\$63,656	\$1,771	\$215,056
LIABILITIES AND FUND EQUITY					
Liabilities:					
Due to others		\$3,000			\$3,000
Tax refund payable	\$145,390				145,390
Compensated absences payable				\$1,771	1,771
Total Liabilities	145,390	3,000	NONE	1,771	150,161
Fund Equity:					
Investment in general fixed assets			\$63,656		63,656
Fund balance - unreserved - undesignated	1,239				1,239
Total Fund Equity	1,239	NONE	63,656	NONE	64,895
TOTAL LIABILITIES AND FUND EQUITY	\$146,629	\$3,000	\$63,656	\$1,771	\$215,056

The accompanying notes are an integral part of this statement.

**FINANCIAL STATEMENTS
(OVERVIEW)**

DESOTO PARISH SALES AND
USE TAX COMMISSION
Mansfield, Louisiana
Independent Auditor's Report,
June 30, 1997

In accordance with *Government Auditing Standards*, I have also issued reports dated September 8, 1997, on the DeSoto Parish Sales and Use Tax Commission's compliance with laws, regulations, and contracts, and my consideration of the agency's internal control structure.

A handwritten signature in black ink, appearing to be 'V. Smith', written in a cursive style.

West Monroe, Louisiana
September 8, 1997

Independent Auditor's Report

DESOTO PARISH SALES AND USE TAX COMMISSION Mansfield, Louisiana

I have audited the financial statements of the DeSoto Parish Sales and Use Tax Commission, as of June 30, 1997, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the DeSoto Parish Sales and Use Tax Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the DeSoto Parish Sales and Use Tax Commission as of June 30, 1997, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements of the DeSoto Parish Sales and Use Tax Commission. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

9667

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**DESOTO PARISH SALES AND USE
T. COMMISSION
Mansfield, Louisiana**

**Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
June 30, 1997
With Supplemental Information Schedules**

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

SEP 17 1997

Release Date _____

**VERNON R
COON**
CERTIFIED PUBLIC ACCOUNTANT