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**EVANGELINE PARISH
SALES AND USE TAX COMMISSION**
Ville Platte, Louisiana

Financial Report

Year Ended 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.

1/15/1999

Release Date _____

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KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA
Russell F. Champagne, CPA
Victor R. Slaven, CPA
Chris Rainey, CPA
Conrad O. Chapman, CPA
P. Troy Courville, CPA

Penny Angelle Scruggins, CPA
Mary T. Thibodeaux, CPA
Gerald A. Thibodeaux, Jr., CPA
Kelly M. Doucet, CPA
Kenneth J. Rachal, CPA

234 Rue Beuregard
Lafayette, LA 70508
Phone (318) 232-4141
Fax (318) 232-8660

113 East Bndge Street
Breaux Bndge, LA 70517
Phone (318) 332-4020
Fax (318) 332-2867

133 East Waddil
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

1234 David Drive, Suite 105
Morgan City, LA 70380
Phone (504) 384-2020
Fax (504) 384-3020

408 W. Cotton Street
Ville Platte, LA 70586
Phone (318) 363-2792
Fax (318) 363-3049

332 W. Sixth Avenue
Oberlin, LA 70655
Phone (318) 639-4737
Fax (318) 639-4568

INDEPENDENT AUDITORS' REPORT

Members of the Board of Commissioners
Evangeline Parish Sales and Use Tax Commission
Ville Platte, Louisiana

We have audited the accompanying general purpose financial statements of the Evangeline Parish Sales and Use Tax Commission, as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Evangeline Parish Sales and Use Tax Commission's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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 general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Evangeline Parish Sales and Use Tax Commission, as of June 30, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated July 12, 1999 on our consideration of the Evangeline Parish Sales and Use Tax Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

Our audit was performed for the purposes of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as "Supplemental Information" on pages 12-20 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole. The year 2000 supplementary information on page 22 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the Evangeline Parish Sales Tax Commission is or will become year 2000 compliant, that the Commission's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Commission does business are or will become year 2000 compliant.

The financial information for the preceding year which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose financial statements.

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Ville Platte, Louisiana
July 12, 1999

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Combined Balance Sheet - All Fund Types and Account Group
June 30, 1999

	Governmental Fund Type <u>General</u>	Fiduciary Fund Type <u>Agency</u>	Account Group <u>General Fixed Assets</u>	Totals (Memorandum Only)	
				<u>1999</u>	<u>1998</u>
ASSETS					
Cash	\$ 52,411	\$ -	\$ -	\$ 52,411	\$ 40,089
Interest-bearing deposits	264,838	20,226	-	285,064	217,059
Accrued interest receivable	143	-	-	143	1,263
Equipment	-	-	37,516	37,516	42,072
Building	-	-	73,383	73,383	64,186
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$317,392</u>	<u>\$20,226</u>	<u>\$110,899</u>	<u>\$448,517</u>	<u>\$364,669</u>
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$ 200	\$ -	\$ -	\$ 200	\$ 1,580
Due to taxing bodies and others	-	20,226	-	20,226	23,289
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>200</u>	<u>20,226</u>	<u>-</u>	<u>20,426</u>	<u>24,869</u>
Fund equity:					
Investment in general fixed assets	-	-	110,899	110,899	106,258
Fund balance - unreserved, undesignated	317,192	-	-	317,192	233,542
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund equity	<u>317,192</u>	<u>-</u>	<u>110,899</u>	<u>428,091</u>	<u>339,800</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund equity	<u>\$317,392</u>	<u>\$20,226</u>	<u>\$110,899</u>	<u>\$448,517</u>	<u>\$364,669</u>

The accompanying notes are an integral part of this statement.

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP basis) and Actual - Governmental Fund Type - General Fund
Year Ended June 30, 1999
With Comparative Actual Amounts for Year Ended June 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998
	Budget	Actual		
Revenues:				
Sales tax collections fees	\$ 162,500	\$ 195,050	\$32,550	\$183,788
Interest income	-	7,207	7,207	6,151
Miscellaneous income	-	5,641	5,641	-
Total revenues	<u>162,500</u>	<u>207,898</u>	<u>45,398</u>	<u>189,939</u>
Expenditures:				
Current -				
Salaries	76,000	75,917	83	72,137
Payroll taxes	5,100	5,995	(895)	5,776
Retirement	2,300	2,277	23	2,164
Office supplies	2,500	2,936	(436)	3,269
Travel	4,500	4,327	173	4,688
Health benefits	6,000	5,788	212	5,394
Workmans' compensation	750	825	(75)	654
Professional fees	6,000	6,291	(291)	1,859
Telephone	3,500	3,066	434	2,807
Utilities	3,400	2,708	692	3,510
Postage	6,900	7,417	(517)	6,988
General insurance	1,400	1,415	(15)	1,283
Per diem	2,100	1,675	425	1,975
Miscellaneous	4,000	2,433	1,567	2,839
Outside services	-	1,321	(1,321)	1,200
Repairs	2,000	-	2,000	2,824
Capital outlay	21,000	9,857	11,143	9,090
Total expenditures	<u>147,450</u>	<u>134,248</u>	<u>13,202</u>	<u>128,457</u>
Excess of revenues over expenditures	<u>15,050</u>	<u>73,650</u>	<u>58,600</u>	<u>61,482</u>
Other financing sources (uses):				
Operating transfers in	-	10,000	10,000	13,500
Operating transfers out	-	-	-	(8,102)
Total other financing sources (uses)	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>5,398</u>

(continued)

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP basis) and Actual - Governmental Fund Type - General Fund
(Continued)

Year Ended June 30, 1999

With Comparative Actual Amounts for Year Ended June 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998
	Budget	Actual		
Excess of revenues and other sources over expenditures and other uses	15,050	83,650	68,600	66,880
Fund balance, beginning	<u>233,542</u>	<u>233,542</u>	-	<u>166,662</u>
Fund balance, ending	<u>\$248,592</u>	<u>\$317,192</u>	<u>\$68,600</u>	<u>\$233,542</u>

The accompanying notes are an integral part of this statement.

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The Evangeline Parish Sales and Use Tax Commission (hereafter referred to as the "Commission") has been created by and in accordance with the provisions of Article VII, Section 3 of the Louisiana Constitution, and LSA-R.S. 33:2844.1 for the purpose of administering, collecting and enforcing the collection of the sales and use taxes of the taxing authorities of Evangeline Parish.

The following is a summary of certain significant accounting policies:

A. Basis of Presentation

The accompanying general purpose financial statements of the Evangeline Parish Sales and Use Tax Commission have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting policies.

B. Financial Reporting Entity

The Commission is governed by a Board of Commissioners composed of nine members that consists of one representative from each political subdivision within the parish which levies a sales and use tax.

For financial reporting purposes, the Evangeline Parish Sales and Use Tax Commission includes all funds and account groups which are controlled by or dependent on the Board of Commissioners. The Board of Commissioners are solely responsible for the operations which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds.

C. Fund Accounting

The accounts of the Commission are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of the funds are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are accounted for in an individual fund based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

Governmental Fund -

General Fund

The General Fund is the principal fund of the Commission and is used to account for all financial resources of the Commission. General operating expenditures are paid from this fund.

Fiduciary Fund -

Agency Fund

The Agency fund is used to account for assets held by the Commission in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets.

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

E. Budgets

A budget for the General Fund is prepared on a basis consistent with generally accepted accounting principals (GAAP). Budgeted amounts are as originally prepared or as amended by the Commission. All budgetary appropriations lapse at the end of each fiscal year.

F. Fixed Assets

Fixed assets used in the governmental fund type operations (general fixed assets) are reported as capital outlay expenditures in the statement of revenues, expenditures, and changes in fund balance in the General Fund in the year of acquisition and are accounted for in the General Fixed Assets Account Group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated historical cost if historical cost is not available.

The account group is not a "fund". It is concerned only with the measurement of financial position, not with measurement of results of operations.

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

G. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing deposits, and time deposits. Cash equivalents include amounts in time deposits with original maturities of 90 days or less. Under state law, the district may deposit funds in demand deposits, interest-bearing deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

H. Vacation and Sick Leave

Employees of the Commission's office earn vacation leave of six days the first year of employment, ten days from the second to the eighth year of service, and fifteen days thereafter, with a carryover of five days allowed. An equal amount of sick pay is allowed with a carryover of thirty days. Any liability the Commission may have regarding this matter at June 30, 1999 is considered immaterial.

I. Total Columns on Combined Balance Sheet - Overview

Total columns on the combined balance sheet - overview is captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

J. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Evangeline Parish Sales and Use Tax Commission as an extension of formal budgetary integration in the funds.

(2) Cash and Interest-Bearing Deposits

At June 30, 1999, the Commission has cash and interest-bearing deposits (book balances) totaling \$337,475 as follows:

Demand deposits	\$ 52,411
Interest-bearing deposits	<u>285,064</u>
Total	<u><u>\$337,475</u></u>

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

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 bank. 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. Deposit balances (bank balances) at June 30, 1999, are secured as follows:

Bank balances	<u>\$1,016,388</u>
Federal deposit insurance	157,472
Pledged securities	<u>100,000</u>
Total federal insurance and pledged securities	<u>257,472</u>
Deficiency of securities pledged over deposits	<u><u>\$ (758,916)</u></u>

(3) Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Equipment</u>	<u>Building</u>	<u>Total</u>
Beginning balance, July 1, 1998	\$42,072	\$64,186	\$106,258
Additions	659	9,198	9,857
Deletions	<u>5,216</u>	<u>-</u>	<u>5,216</u>
Ending balance, June 30, 1999	<u><u>\$37,515</u></u>	<u><u>\$73,384</u></u>	<u><u>\$110,899</u></u>

(4) Retirement Plans

All employees of the Evangeline Parish Sales Tax Commission are members of the Social Security System. The Commission and its employees contribute a percentage of each employee's salary to the system (7.65% contributed by the Commission; 7.65% contributed by the employee). The commissions contribution during the year ended June 30, 1999 amounted to \$5,808.

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

Employees of the Evangeline Parish Sales and Use Tax Commission may participate in a "SIMPLE" retirement plan in accordance with Internal Revenue Code Section 401 (K)11 and 408 (P). Under this plan, which is treated as an IRA for most purposes, the employer makes payments as a contribution (not exceeding 3% of employee's compensation) to the Simple account. Elective contributions are limited to \$6,000 for any calendar year. The Commission's contribution during the year ended June 30, 1999 amounted to \$2,277.

(5) Compensation Paid to Board Members

Board members received per diem for fiscal year end June 30, 1999 as follows:

Dale Reed	\$1,275
Leon Estes	50
Albert Zachery	25
Blain Janet	100
Herman Malveaux	100
Ferrel McCauley	50
Albert Lejeune	50
Darrell Duplechin	25
	<u>\$1,675</u>

(6) Litigation

There is no litigation pending against the Evangeline Parish Sales and Use Tax Commission at June 30, 1999.

SUPPLEMENTAL INFORMATION

INDIVIDUAL FUNDS

FIDUCIARY FUND TYPE - AGENCY FUND

Sales Tax Collection Fund -

To account for the collection and distribution of sales taxes for the taxing authority of Evangeline Parish.

EVANGELINE PARISH SALES AND USE TAX COMMISSION
 Ville Platte, Louisiana
 Fiduciary Fund Type - Agency Fund
 Sales Tax Collection Fund

Comparative Statement of Changes in Assets and Liabilities
 Year Ended June 30, 1999

	<u>1999</u>	<u>1998</u>
ASSETS		
Cash and interest-bearing deposits, beginning of year	\$ 23,289	\$ 23,066
Additions:		
Sales tax collections	8,242,822	7,038,886
Interest earned for General Fund	6,937	5,622
Transfer from General Fund	-	8,102
Total additions	<u>8,249,759</u>	<u>7,052,610</u>
Reductions:		
Transfer to taxing bodies	8,047,772	6,855,099
Transfer to General Fund	10,000	13,500
Sales tax collection fee	195,050	183,788
Total reductions	<u>8,252,822</u>	<u>7,052,387</u>
Cash and interest-bearing deposits, end of year	<u>\$ 20,226</u>	<u>\$ 23,289</u>
LIABILITIES		
Due to taxing bodies and other, beginning of year	\$ 23,289	\$ 23,066
Additions	8,249,759	7,052,610
Reductions	<u>8,252,822</u>	<u>7,052,387</u>
Due to taxing bodies and others, end of year	<u>\$ 20,226</u>	<u>\$ 23,289</u>

INTERNAL CONTROL AND COMPLIANCE

KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA
Russell F. Champagne, CPA
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Kelly M. Doucet, CPA
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234 Rue Beauregard
Lafayette, LA 70508
Phone (318) 232-4141
Fax (318) 232-8660

113 East Bridge Street
Breaux Bridge, LA 70517
Phone (318) 332-4020
Fax (318) 332-2857

133 East Waddi
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

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Morgan City, LA 70380
Phone (504) 384-2020
Fax (504) 384-3020

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Phone (318) 363-2792
Fax (318) 363-3049

332 W. Sixth Avenue
Oberlin, LA 70655
Phone (318) 639-4737
Fax (318) 639-4568

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Members of the Board of Commissioners
Evangeline Parish Sales and Use Tax Commission
Ville Platte, Louisiana

We have audited the general purpose financial statements of the Evangeline Parish Sales and Use Tax Commission, as of and for the year ended June 30, 1999, and have issued our report thereon dated July 12, 1999. 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 Evangeline Parish Sales and Use Tax Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, we noted a certain immaterial instance of noncompliance that we have reported to management in a separate letter dated July 12, 1999.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Evangeline Parish Sales and Use Tax Commission'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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Evangeline Parish Sales and Use Tax Commission's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying Summary Schedule of Prior Year Audit Findings as item number 99-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is a material weakness.

This report is intended solely for the information of management and the Board of Directors and is not intended to be and should not be used by anyone other than these parties.

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Ville Platte, Louisiana
July 12, 1999

EVANGELINE PARISH SALES AND USE TAX COMMISSION
 Ville Platte, Louisiana

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

Ref. No.	Year Finding Initially Occurred	Description of Finding/ Management Letter Comment	Corrective Action Taken	Planned Corrective Action/Partial Corrective Action Taken
99-1	1993	Segregation of functions within the accounting system: Based upon the cost-benefit of additional personnel and the probable infeasibility to achieve segregation of accounting functions, client response deemed unnecessary.	No	See Corrective Action Plan.

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Corrective Action Plan
Year Ended June 30, 1999

Internal Control Finding in Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards:

99-1 Based upon the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of accounting functions.

Management Letter

Procedures will be implemented to ensure that deposits are covered by the proper amount of securities pledged at all times.

OTHER INFORMATION

EVANGELINE PARISH SALES AND USE TAX COMMISSION
Ville Platte, Louisiana

Year 2000 Issue (Unaudited)

The Year 2000 Issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999.

The Evangeline Parish Sales and Use Tax Commission has completed an inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue and that are necessary to conducting the commission's operations. It was determined that the computer system used to process sales tax returns will require year 2000 remediation. Testing and validation have yet to be completed for the sales tax processing system and will cost approximately \$2,000.

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 tax commission is or will be Year 2000 ready, that the tax commission's remediation efforts will be successful in whole or in part, or that parties with whom the tax commission does business will be year 2000 ready.

KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

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234 Rue Beauregard
Lafayette, LA 70508
Phone (318) 232-4141
Fax (318) 232-8660

113 East Bridge Street
Breaux Bridge, LA 70517
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Fax (318) 639-4568

MANAGEMENT LETTER

Members of the Board of Commissioners
Evangeline Parish Sales and Use Tax Commission
Ville Platte, Louisiana

During our audit of the financial statements of the Evangeline Parish Sales and Use Tax Commission for the year ended June 30, 1999, we noted a certain area in which improvement in the financial practices of the Commission should be considered, therefore, the following recommendation is deemed appropriate:

The cash deposits of the Commission were undersecured in the amount of \$758,916 at June 30, 1999. Efforts should be made to ensure that the proper amount of securities pledged are obtained at all times to cover deposit balances.

We would like to express our appreciation to you and your office staff for the courtesies and assistance rendered to us in the performance of our audit. Should you have any questions or need assistance in implementing any of our recommendations, please feel free to contact us.

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Ville Platte, Louisiana
July 12, 1999