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**AGREED-UPON PROCEDURES OF
CITY OF MONROE SALES TAX**

For the Year Ended June 30, 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 7/11/07



CAMERON, HINES & HARTT

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 828-1717

Fax (318) 828-5121

E-Mail: chhcpas@bellsouth.net

INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES

Mr. David Barnes
Director of Administration
City of Monroe, Louisiana

We have performed the procedures enumerated below, which were agreed to by the City of Monroe solely to assist you in evaluating the procedures placed into operation for the City of Monroe Sales Tax Department for the City of West Monroe sales tax collections. The City of Monroe Sales Tax Department's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

For the period July 1, 2005 – June 30, 2006, we selected businesses to check for inconsistencies in their sales tax payment history to the City of Monroe for the sales made within the city limits of West Monroe. Of the sixty-seven businesses tested, twenty-three had some type of inconsistent payment history. Inconsistent payment histories were due partly to limited sales in West Monroe with no income being reported in the months of exception, but with sales taxes being paid in the months of activity. Inconsistencies were also due partly to businesses that paid more than one month of sales tax in one payment. These inconsistencies resulted in no payment miscoding or uncollected taxes.

We also tested the City of Monroe Sales Tax Department collection system by randomly selecting twenty-five vendors and tracing their transactions through the City of Monroe's collection system to further test the current control procedures. No exceptions were noted.

Our prior year report dated June 20, 2006, did not include any comments or unresolved matters.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion, on the accounting records of the City of Monroe Sales Tax Department or its internal control. 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 information and use of the management of the City of Monroe, the City of West Monroe, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Cameron, Hines & Hartt (APAC)

West Monroe, Louisiana
June 7, 2007