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**ST. TAMMANY PARISH FIRE  
PROTECTION DISTRICT NO. 11  
COMPILATION OF FINANCIAL STATEMENTS  
AND  
INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES  
DECEMBER 31, 1999**

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 8-16-00

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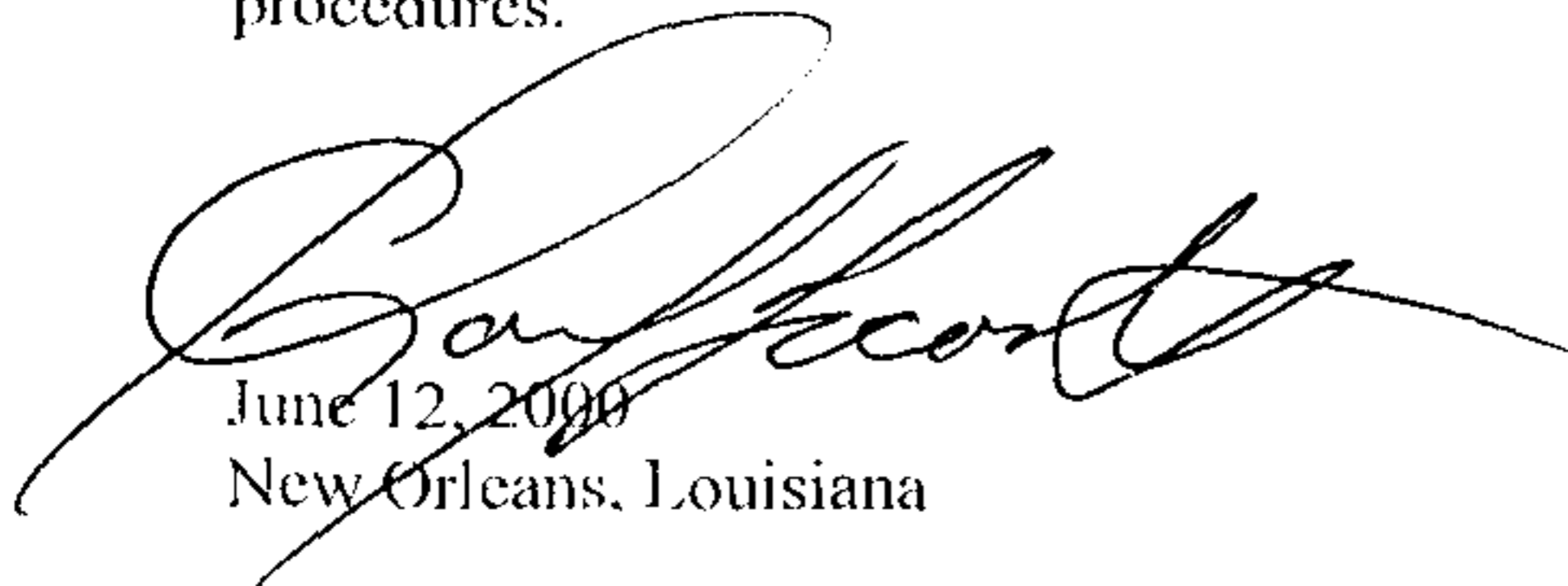
**Charles L. Lacoste, Jr.**  
*Certified Public Accountant*  
8116 Burthe Street  
New Orleans, Louisiana 70118  
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To the Board of Commissioners of  
St. Tammany Parish Fire Protection District No. 11  
PO Box 1210  
Pearl River, Louisiana 70452

I have compiled the accompanying financial statements of St. Tammany Parish Fire Protection District No. 11, a component unit of the St. Tammany Parish Police Jury, State of Louisiana, as and for the year ended December 31, 1998, in accordance with Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report dated June 12, 2000 on the results of our agreed-upon procedures.



June 12, 2000  
New Orleans, Louisiana

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT  
NO. 11  
ALL FUND TYPES AND ACCOUNT GROUPS  
BALANCE SHEET  
December 31, 1999**

	<b>GOVERNMENTAL FUND TYPE- GENERAL</b>	<b>ACCOUNT GROUPS GENERAL FIXED ASSETS</b>	<b>GENERAL LONG-TERM OBLIGATIONS</b>	<b>TOTAL (MEMO)</b>
<b>ASSETS AND OTHER DEBITS</b>				
<b>ASSETS</b>				
Cash	\$ 4,583			\$ 4,583
Investments	50,000			50,000
Receivables				
Ad Valorem taxes	142,481			142,481
State Revenue Sharing	9,737			9,737
Land, building, and equipment		576,493		576,493
<b>Other Debits</b>				
Amount to be provided for retirement of long-term debt			<u>230,000</u>	<u>230,000</u>
Total assets and other debits	<u>206,801</u>	<u>576,493</u>	<u>230,000</u>	<u>1,013,294</u>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities</b>				
Accounts payable	110			110
Payroll liabilities	441			441
Capital lease payable	11,800			11,800
General obligation bonds			<u>230,000</u>	<u>230,000</u>
Total liabilities	<u>12,351</u>		<u>230,000</u>	<u>242,351</u>
<b>Fund Equity</b>				
Investment in general fixed assets		576,493		576,493
Undesignated fund balance	194,450			194,450
Total liabilities and fund balances	<u>\$206,801</u>	<u>576,493</u>	<u>230,000</u>	<u>\$1,013,294</u>

The accompanying notes are an integral part of the financial statements.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GENERAL FUND**

**For the year ended December 31, 1999**

**STATEMENT B**

**REVENUES**

Ad Valorem taxes	\$151,600
Intergovernmental revenues:	
State revenue sharing	9,700
Fire insurance rebate	7,573
Interest earned	5,917
Donations	770
Grants	<u>969</u>
Total revenues	<u>176,529</u>

**EXPENDITURES**

Salaries and related expenditures	20,850
Insurance	12,901
Accounting	4,000
Repairs and maintenance	24,179
Telephone and utilities	4,229
Office supplies	2,060
Station and medical supplies	925
Fire fighting equipment and gear	9,081
Vehicle operations	4,194
Advertising	1,009
Training	1,183
Election cost	6,183
Miscellaneous	737
Bond fees	500
Debt service	
Principal	16,500
Interest	16,168
Capital outlay	24,768
Disposition of assets	<u>2,000</u>
Total	<u>151,467</u>

Excess of revenues over expenditures	<u>25,062</u>
--------------------------------------	---------------

The accompanying notes are an integral part of the financial statements.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GENERAL FUND**  
**(CONTINUED)**

For the year ended December 31, 1999

<b>OTHER FINANCING SOURCES</b>	
Sale of equipment	<u>1,779</u>
Excess of revenues and other sources of financing over expenditures	26,841
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>167,609</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 194,450</u>

The accompanying notes are an integral part of the financial statements.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
For the year ended December 31,1999

**STATEMENT C**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Ad valorem taxes	\$ 137,151	137,566	415
State revenue sharing	9,233	9,233	0
Fire insurance rebate	7,400	7,573	173
Interest income	2,500	5,917	3,417
Grants	700	969	269
Donations	0	770	770
Miscellaneous income	<u>500</u>	<u>0</u>	<u>( 500)</u>
Totals	<u>157,484</u>	<u>162,028</u>	<u>4,544</u>
<b>EXPENDITURES</b>			
Salaries	18,570	18,260	310
Payroll taxes	2,100	2,590	(490)
Workmen's compensation insurance	1,550	900	650
Fee for bond maintenance	500	500	0
Accounting	4,000	4,000	0
Insurance	10,750	12,001	(1,251)
Election cost	6,052	6,183	(131)
Training	1,000	1,183	(183)
Medical supplies	500	195	305
Advertising	900	1,009	(109)
Rental	200	118	82
Miscellaneous	500	737	(237)
Building maintenance	3,400	3,571	(171)
Repairs-building equipment	1,200	759	441
Repairs-office equipment	400	220	180
Radio repairs	1,000	827	173
Vehicle maintenance	16,980	17,383	(403)

The accompanying notes are an integral part of the financial statements.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**

For the year ended December 31, 1999

**STATEMENT C**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>EXPENDITURES (CONTINUED)</b>			
Fuel	2,600	2,844	(244)
Auto mileage	1,200	1,350	(150)
Utilities	1,800	1,930	(130)
Telephone	2,400	2,299	101
Station supplies	1,000	730	270
Office supplies	1,920	3,180	(1,260)
Radio supplies	0	299	(299)
Capital outlays			
Vehicles	16,450	16,450	0
Fire fighting equipment	7,150	7,480	(330)
Training equipment	700	700	0
Equipment for personnel	0	1,483	(1,483)
Building modifications	4,540	4,479	61
Office equipment	3,139	3,139	0
Disposition of excess			
Equipment	0	2,000	(2,000)
Debt service			
Interest	16,418	16,168	250
Principal	<u>16,500</u>	<u>16,500</u>	<u>0</u>
Totals	<u>145,419</u>	<u>151,467</u>	<u>(6,048)</u>
Excess of revenues over			
expenditures	12,065	10,561	(1,504)
Other financing sources			
Sale of equipment	0	1,779	1,779
Excess of revenues and other			
financing sources over			
expenditures	<u>12,065</u>	<u>12,340</u>	<u>275</u>
Fund Balance at beginning of year		<u>128,509</u>	
Fund balance at end of year		<u>\$140,849</u>	

The accompanying notes are an integral part of the financial statements.



**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11**

Pearl River, Louisiana

**Notes to the Financial Statements**

December 31, 1999

ORGANIZATION

The St. Tammany Parish Fire Protection District No. 11 ( The District) was created by the St. Tammany Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492. The District is responsible for fire protection in the Pearl River area and is governed by a volunteer board of directors.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

The accompanying general purpose financial statements of The District 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 principles.

2. Reporting Entity

As the governing authority of the parish, for reporting purposes, the St. Tammany Parish Police Jury is the financial reporting entity for St. Tammany Parish. The financial reporting entity consists of (a) the primary government (St. Tammany Parish Police Jury), (b) organizations for which the primary government is financially accountable, and ( c ) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB No. 14 established criteria for determining which component units should be considered part of the St. Tammany Parish Police Jury for financial reporting purposes. The Basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11**  
Pearl River, Louisiana  
**Notes to the Financial Statements**  
December 31, 1999

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

1. Appointing a voting majority of an organization's governing body, and
  - a. the ability of the police jury to impose its will on that organization, and/or
  - b. the potential for the organization to provide specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority, but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Even though the district operates independently of the police jury, the exclusion from the police jury's financial statements would cause the police jury's financial statements to be misleading or incomplete. Also, the police jury's ability to impose its will on the district is indicated by the ability to remove appointed members of the district's board at will. Because of these reasons, the district is determined to be a component unit of the St. Tammany Parish Police Jury.

**3. Fund Accounting**

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain governmental functions and activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

**The General Fund-** The General Fund of the district is classified as a governmental fund. The General Fund accounts for the district's general activities, including the collection and disbursement of specific or legally restricted monies, and the acquisition of general fixed assets.

**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11**  
Pearl River, Louisiana  
**Notes to the Financial Statements**  
December 31, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and liabilities generally are included on the balance sheet. Operating statements of this fund present increases and decreases in net current assets. The modified accrual basis of accounting is used by the General Fund, and it uses the following practices in recording revenues and expenditures:

Revenues -

Ad valorem taxes and the state revenue sharing are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Interest income is recorded when measurable and available.

Substantially all other revenues are recorded when received.

Expenditures

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

5. Budgets

The budget was prepared and reported on the modified accrual basis of accounting. All appropriations lapse at year end. Formal budget integration within the accounting records is employed as a management control device during the year. Changes or amendments are upon the approval of the board. Budgeted amounts included in the accompanying financial statements represent the final budget adopted November 22, 1999.

**ST. TAMMANY FIRE PROTECTION DISTRICT NO. 11**  
 Pearl River, Louisiana  
**Notes to the Financial Statements**  
 December 31, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES( CONTINUED)

6. Cash and Investments

Cash includes amounts in demand deposits. Investments represent certificates of deposit with banking institutions. Under state law, the district may deposit funds in demand deposits, interest bearing demand deposits, money market accounts and time deposits with state banks organized under Louisiana law and national banks having their principle offices in Louisiana. Investments are stated at cost.

7. Fixed assets

Fixed assets are recorded as expenditures at the time purchased, donated or constructed, and the related assets are capitalized and reported in the general fixed assets account group. No depreciation has been provided on general fixed assets. Fixed assets purchased or constructed are valued at historical cost.

8. General obligation bonds

The District has issued general obligation bonds. The schedule of principle due and interest is as follows:

Year ending December 31,	Principal	Interest	Total
2000	10,000	13,695	23,695
2001	10,000	12,865	22,865
2002	10,000	12,000	22,000
years after to			
2015	<u>200,000</u>	<u>118,534</u>	<u>318,534</u>
Totals	<u>\$230,000</u>	<u>\$157,094</u>	<u>\$387,094</u>

NOTE B - CASH

Cash consists of amounts in demand deposits. All amounts are either fully insured or collateralized as of December 31, 1999.

**Charles L. Lacoste, Jr.**  
*Certified Public Accountant*  
8116 Burthe Street  
New Orleans, Louisiana 70118  
(504) 861-0513  
(504) 861-0548

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED UPON PROCEDURES

Board of Commissioners  
St. Tammany Parish Fire District No. 11

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of St. Tammany Parish Fire Protection District No. 11 (The District) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations during the year ended December 31, 1999 included in the *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was 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 specified users of the report. Consequently, I 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.

The procedures performed are as follows:

**Public Bid Law**

1. Select all expenditures made during the year for material and supplies exceeding \$15,000 or public works exceeding \$100,000 and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (The Public Bid Law).

I examined all applicable purchases and found compliance with the Public Bid Law.

**Code of Ethics for Public Officials and Public Employees**

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedures (3) were also included on the listing obtained from management in agreed-upon procedures (2) as immediate family members.

None of the employees included in step3 appeared on the list from step 2.

### **Budgeting**

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget and amendments to the budget during the year.

6. Trace the adoption of the original budget adoption and amendments to the minute book.

I traced the adoption of the original budget and amendments to the minutes of the meetings.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues fail to meet budgeted revenues by 5% or more or actual expenditures exceed budgeted expenditures by 5% of more.

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues were 5% or more less than budgeted and actual expenditures were not 5% or more greater than budgeted.

### **Accounting and Reporting**

8. Randomly select 6 disbursements made during the period under examination and: (a) trace payments to supporting documentation as to proper amount and payee, (b) determine if payments were properly coded to the correct fund and general ledger account, and (c) determine whether payments received approval from proper authorities.

I examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee, payments were properly coded to the correct fund and general ledger account and inspection of documents supporting each of the six selected disbursements indicated proper approvals.

Management will insure that all future disbursements are made only with proper invoices.

### **Meetings**

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1-42:12(the open meetings law).

No exceptions regarding compliance with the laws and regulations were noted.

### **Debt**

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

I inspected copies of all bank deposit slips for the year and noted no deposits which appeared to be proceeds of bank loans, bonds or like indebtedness.

### **Advances and Bonuses**

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances or gifts.

A reading of the minutes of the District for the year indicated no approval for the payments noted. I also inspected payroll records for the year and noted no instances which would indicate payments to employees which would indicate bonuses, advances, or gifts.

## **Noncompliance**

I found no examples of noncompliance.

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

This report is intended solely for the use of the board of Commissioners and management of the District and the Legislative Auditor, State of Louisiana, 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. However, this report is a matter of public record and its distribution is not limited.



New Orleans, Louisiana  
June 12, 2000



**ST. TAMMANY PARISH FIRE PROTECTION DISTRICT NO. 11**  
**SUMMARY SCHEDULE OF PRIOR YEAR'S FINDINGS**  
**For the year ended December 31, 1999**

Finding number 1 for 1998- there was one instance in which an invoice could not be found. Management instituted sufficient controls to insure there would be no recurrence.

Finding number 2 for 1998- the District entered into a capital lease without proper approval from the State Bond Commission. Management instituted a policy of conferring with legal counsel prior to incurring debt or entering into financing contracts.

Finding number 3 for 1998- there was an instance of noncompliance due to the compilation and accountant's report not being submitted by June 30, 1999 as required by state law. Management took steps to complete all required steps to prevent a recurrence.

**LOUISIANA ATTESTATION QUESTIONNAIRE  
(For Attestation Engagements of Quasi-public Entities)**

(Date Transmitted)

Charles L. Lacoste, Jr. CPA  
816 Burythe St.  
New Orleans, La. 70118

(Auditors)

In connection with your compilation of our financial statements as of December 31, 1999 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of Dec. 31, 1999 (date of completion/respresentation).

**Federal, State, and Local Awards**

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes  No [ ]

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes  No [ ]

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes  No [ ]

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes  No [ ]

**Open Meetings**

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Yes  No [ ]

**Budget**

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes  No [ ]

**Prior Year Comments**

We have resolved all prior-year recommendations and/or comments.

Yes  No [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report.

x Jonathan M Christopher Secretary 11/12/99 Date

x Ronnie Brown Treasurer 11-12-99 Date

x Claude / Stebbins President 11-12-99 Date

[This form is an unaudited informational document prepared by management of the audited agency.]

LEGISLATIVE AUDITOR  
BATON ROUGE LA 70804

**DATA COLLECTION FORM**

**FOR REPORTING ON AUDITS OF STATE AND LOCAL GOVERNMENT AND QUASIPUBLIC ENTITIES**

OMB Form 0348-0057 may be used as a substitute for this form.

Date Submitted **06/28/00**

RETURN to: Legislative Auditor  
Attn: Engagement Processing  
Post Office Box 94397  
Baton Rouge, Louisiana 70804-9397

1. Fiscal Year Ending Date For This Submission:

**12/31/99**

3. Audit Period Covered

Annual  Biennial  
 Other to

2. Type of Report:

Single Audit  GAO Audit Standards Audit  
 Compilation  Compilation/Attestation  
 Program Audit  Other

4. AUDITEE INFORMATION

Auditee Name **St. Tammany Parish  
Fire Protection Dist. # 11**

Street Address (Number and Street)

Mailing Address (PO No.)

**PO Box 1210**

City **Pearl River** State **La** Zip **70452**

Auditee Contact  
Name **Ramon Mercue** Title **Tres.**

Telephone Fax

Email (Optional)

5. AUDITOR INFORMATION

Firm Name **Charles L. Lacoste, Jr.**

b. Street Address (Number and Street)  
**8116 Burthe St.**

Mailing Address (PO No.)

City **New Orleans** State **La** Zip **70118**

c. Auditor Contact  
Name **Charles Lacoste** Title **CPT**

Telephone **504-861-0513** Fax **504-861-0548**

Email (Optional)  
**CL544@bellsouth.net**

Component Units Included Within the Report and for Which No Separate Report Will Be Issued:

If there are no modifications to the auditor's financial opinion, no reportable conditions, no material weaknesses, no reported instances of noncompliance, and no management letter, check this box; do not complete the rest of the form.

6. FINANCIAL STATEMENTS

a. Type of audit report on financial statements.  Not Applicable  
 Unqualified Opinion  Qualified Opinion  Adverse Opinion  Disclaimer of Opinion  
b. Is a 'going concern' explanatory paragraph included in the audit report?  Yes  No  
c. Do any of the funds have deficit fund balances?  Yes  No  
d. Is there a related party footnote?  Yes  No

7. INTERNAL CONTROL

Do the comments on internal control include:  material weaknesses  reportable conditions  not applicable

8. COMPLIANCE

Do the comments on compliance include:  illegal acts  fraud/criminal acts  not applicable

9. MANAGEMENT LETTER (Finding Caption and No.)

Resolved  Yes  No  No Longer Applicable  
Resolved  Yes  No  No Longer Applicable  
Resolved  Yes  No  No Longer Applicable

10. SCHEDULE OF CURRENT YEAR FINDINGS/QUESTIONED COSTS (Finding Caption and No.)

\$ \_\_\_\_\_ Resolved  Yes  No  No Longer Applicable  
\$ \_\_\_\_\_ Resolved  Yes  No  No Longer Applicable  
\$ \_\_\_\_\_ Resolved  Yes  No  No Longer Applicable  
\$ \_\_\_\_\_ Resolved  Yes  No  No Longer Applicable  
\$ \_\_\_\_\_ Resolved  Yes  No  No Longer Applicable

Do any findings address nepotism, ethics violations or related party transactions?  Yes  No

Do any findings address violation of bond indenture covenants?  Yes  No

11. SCHEDULE OF PRIOR YEAR FINDINGS/QUESTIONED COSTS/MANAGEMENT LETTER COMMENTS

(Finding/Comment Caption and No.)

Resolved  Yes  No  No Longer Applicable  
Resolved  Yes  No  No Longer Applicable  
Resolved  Yes  No  No Longer Applicable  
Resolved  Yes  No  No Longer Applicable  
Resolved  Yes  No  No Longer Applicable

AUDITEE SIGNATURE

**Ramon Mercue** June 28, 2000