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SOUTH VERMONT WATERWORKS DISTRICT NO. 1  
FINANCIAL STATEMENTS  
December 31, 1967

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, orally and after appropriate public officials. This report is available for public inspection in the State House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date April 11, 1968

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W. Michael [Redacted], CPA

**UNQUALIFIED OPINION ON GENERAL-PURPOSE  
FINANCIAL STATEMENTS--CONVENTIONAL ENTITY**

**INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
South Vernon Waterworks District No. 1  
Bossierette, Louisiana

I have audited the accompanying general-purpose financial statements of the South Vernon Waterworks District No. 1, a component unit of the Vernon Parish Police Jury, as of and for the year ended December 31, 1991, as listed in the table of contents. These general-purpose financial statements are the responsibility of the South Vernon Waterworks District No. 1's management. My responsibility is to express an opinion on these general-purpose financial statements based on my audit.

I conducted my 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. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the South Vernon Waterworks District No. 1 as of and for the year ended December 31, 1991, and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated October 21, 1992, on my consideration of the South Vernon Waterworks District No. 1's internal control over financial reporting and my tests of its compliance with laws, regulations, contracts and grants.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements of the district taken as a whole. The accompanying schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Elliott & Assoc. "A/B/C"*

Lexington, Louisiana  
October 21, 1988

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W. Milled (Rm. 615)

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

Board of Commissioners  
South Vernon Meterworks District No. 1  
Kosciusko, Louisiana

I have audited the financial statements of the South Vernon Meterworks District No. 1 as of and for the year ended December 31, 1997, and have issued my report thereon dated October 21, 1998. I conducted my 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 the South Vernon Meterworks District No. 1's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance that is required to be reported under Government Auditing Standards which is described as follows:

**Findings:** This audit report is not being issued within the six months of the close of its December 31, 1997 fiscal year-end. This is a violation of LA R.S. #28:512(A)(5)(a).

**Management Response:** The CPA performing the examination of accounts had an external quality review performed in December 1993. Based on the results of that review, a specific letter of comment suggested that, due to the firm's size, the firm should consider retaining another qualified CPA firm to review all governmental type reports prior to issuance to improve its quality control features.

The firm adopted the recommendation; however, implementation and coordination of the pre-issuance review has delayed the release of certain reports until after the statutory deadline. Future reports beginning with the next fiscal year will be issued within the statutory time frame.

#### Internal Control Over Financial Reporting

In planning and performing my audit, I considered the South Vernon Materials District No. 1's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.

*Elliott & Assoc., P.C.*  
Lexington, Louisiana  
October 21, 2008

South Vernon Waterworks District No. 1  
STATEMENT OF FINANCES AND QUESTIONED COSTS

For the Fiscal Year Ended December 31, 1993

I have audited the financial statements of South Vernon Waterworks District No. 1 as of and for the year ended December 31, 1993, and have issued my report thereon dated October 21, 1994. I conducted my 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. My audit of the financial statements as of December 31, 1993 resulted in an unqualified opinion.

**Section I Summary of Auditor's Reports**

**a. Report on Internal Control and Compliance  
Material to the Financial Statements**

**Internal Control**

Material Weaknesses  Yes  No  
Reportable conditions  Yes  No

**Compliance**

Compliance Material to Financial  
Statements  Yes  No

**b. Federal Awards**

**Internal Control**

Material Weaknesses  Yes  No  N/A  
Reportable Conditions  Yes  No  N/A

**Type of Opinion on Compliance for Major Programs**

Unqualified  Qualified   
Disclaimer  Adverse   
N/A

Are their findings required to be reported in accordance with Circular  
A-333, Section 5.01(a)?

Yes  No  N/A

c. Identification of Major Programs

SPIM Number(s)

Name of Federal Program

Name

Type

Dollar threshold used to distinguish between Type A and Type B programs: 2 M/A

In the audit a "low-risk" audit, as defined by OMB Circular A-133  
 Yes  No  N/A

Section II Financial Statement Findings

1987.1 Late Filing: This audit report is not being issued within the six months of the close of its December 31, 1987 fiscal year-end. This is a violation of I.A.R.S. #20133(A)(b)(4), but does not have any effect on the financial statements. All future reports should be issued within the required time frame.

Section III Federal Award Findings and Questioned Costs

N/A

See independent auditor's report.



South Vernon Waterworks District No. 1

Balance Sheet

December 31, 1983

ASSETS

Current assets:	
Cash (Note 2)	\$ 87,537
Accounts receivable - water sales	14,513
State revenue sharing receivable	7,886
Ad valorem taxes receivable (Note 3)	19,821
Total current assets	129,757
Restricted:	
Cash (Note 2)	232,885
Ad valorem taxes receivable (Note 3)	52,525
Total restricted assets	285,410
Organization costs (Note 4)	89,773
less: accumulated amortization	(18,206)
Organization costs (net of accumulated amortization)	71,567
Fixed assets (Notes 5 and 6)	1,202,808
less: accumulated depreciation	(183,722)
Fixed assets (net of accumulated depreciation)	1,019,086
Total assets	\$3,805,289

The accompanying notes are an integral part of this statement.

## LIABILITIES AND EQUITY

Current liabilities:	
Accounts payable	\$ 678
Foreign deduction payable-unrestricted	712
Payroll taxes payable	528
Total current liabilities	1,918
Current liabilities payable from restricted assets:	
Foreign deduction payable restricted	1,210
Current maturities - general obligation bonds (Note 6)	19,800
Current maturities - interim financing agreement - FMA (Note 9)	18,000
Accrued interest payable (Note 6)	15,915
Water deposits	2,850
Total current liabilities payable from restricted assets	38,875
Long-term liabilities payable from restricted assets:	
Interim financing agreement - FMA (Note 9)	2,792,000
General obligation bonds (Note 6)	288,000
Total long-term liabilities payable from restricted assets	3,080,000
Total liabilities	3,182,893
Equity:	
Contributed capital - FMA (Note 9)	500,000
Retained earnings:	
Reserved for general obligation bond indentures	166,401
Unreserved-unre-designated (Note 9)	1,884,048
Total retained earnings	2,050,449
Total equity	492,449
Total liabilities and equity	\$3,525,308

South Vermont Waterworks District No. 1  
 Statement of Revenues, Expenses, and Changes in Retained Earnings  
 For the year ended December 31, 1987

Operating revenues:	
Charges for sales and services:	
Water sales	\$ 82,312
Total operating revenues	82,312
Operating expenses:	
Current:	
Salaries and related costs	41,602
Rent expense	3,338
Insurance expense	21,792
Professional fees	4,423
Board per diem	3,360
Legal advertising	714
Phone & utilities	8,544
Materials and supplies	6,888
Depreciation and amortization	10,787
State sales tax	1,883
Repairs and maintenance	1,349
Travel	2,783
Miscellaneous expense	3,881
Office expense	5,318
Total operating expenses	169,338
Operating income (loss)	(87,026)
Nonoperating revenues (expenses):	
Miscellaneous income	1,806
Interest income	7,177
Interest expense (Note 3)	(186,116)
Pension fees	(3,902)
State revenue sharing	18,829
AA valuers taxes-restricted (Note 3)	33,375
AA valuers taxes-unrestricted (Note 3)	38,122
Total nonoperating revenues (expenses)	(18,719)
Net loss	(105,745)
Add back amortization of contributed capital	9,917
Retained earnings, beginning balance	134,843
Wide period adjustment (Note 9)	(5,001)
Retained earnings, beginning, as restated	129,842
Retained earnings, ending	\$ 34,104

The accompanying notes are an integral part of this statement.

South Vermont Waterworks District No. 1  
Statement of Cash Flows  
For the year ended December 31, 1993

Exhibit C

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating income	\$ (82,401)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	62,782
Amortization	8,948
Changes in assets and liabilities:	
Accounts receivable	(14,623)
Accounts payable	588
Customer deposits	2,858
Retirement deductions payable	(1,854)
Prior period adjustment	15,881
Net cash (used) by operating activities	122,881
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Ad valorem taxes	28,811
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>	
Ad valorem taxes	34,832
Acquisition of property, plant and equipment	(598,543)
Interest paid	(148,870)
Proceeds from issuance of debt	18,184
Additions to contributed capital	585,818
Miscellaneous income	1,688
Net cash (used) by capital financing activities	(128,815)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	1,322
Increase in cash	(17,617)
CASH, BEGINNING OF YEAR	499,825
CASH, END OF YEAR	\$299,212
<b>CLASSIFIED AS</b>	
Current Assets	\$ 97,527
Restricted Assets	201,685
Totals	\$299,212

The accompanying notes are an integral part of this statement.

North Vernon Waterworks District No. 1

Notes to the Financial Statements

December 31, 1993

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Vernon Parish Police Jury is a political subdivision of the State of Louisiana. The Vernon Parish Police Jury is the reporting entity for Vernon Parish as defined by GASB Statement 1, "Defining the Governmental Reporting Entity."

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governments. In November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification is recognized as generally accepted accounting principles for state and local governments.

North Vernon Waterworks District No. 1, "District," is a component unit of the Vernon Parish Police Jury as defined by GASB codification Section 2146. The District was created by the Vernon Parish Police Jury as authorized by Louisiana Revised Statutes 33:3811-21. The District is governed by a board of five commissioners appointed by the Vernon Parish Police Jury, who are responsible for providing water service within the boundaries of the district.

A. FUND ACCOUNTING

North Vernon Waterworks District No. 1 is organized and operated as a fund basis as a Proprietary Fund-Type-Enterprise Fund. In an enterprise fund the accrual basis of accounting is utilized and revenues are recognized when earned and expenses are recognized when incurred. Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

South Vernon Waterworks District No. 1

Notes to the Financial Statements (Continued)

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. BASIS OF ACCOUNTING

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

Proprietary funds follow GASB prescribed by the Governmental Accounting Standards Board and all Financial Accounting Standards Board's standards issued prior to November 30, 1988. All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets associated with the operation of these funds are included on the balance sheet. Fund equity, (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

C. BAD DEBT

Uncollectible amounts due for ad valorem taxes are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable.

D. CASH AND CASH EQUIVALENTS

Cash includes amounts in petty cash, demand deposits, interest earning demand deposits, and money market accounts. Cash equivalents include amounts in time deposits, with maturities of three months or less.

E. FIXED ASSETS

The fixed assets of the waterworks district are accounted for on the balance sheet of the Enterprise Fund. The fixed assets of the District as shown on the balance sheet are recorded at historical cost. Depreciation is computed by the straight line method based on the estimated useful life of the individual assets.

F. INTEREST EXPENSE

The District expenses interest as it is incurred for accounting purposes and has not capitalized any previous interest expense.

South Vernon Waterworks District No. 1

Notes to the Financial Statements (Continued)

NOTE 2--CASH AND INVESTMENT COLLATERAL

Under state law, the District may deposit funds with 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 District may invest in United States bonds, treasury notes, time certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, investments as stipulated in state law, or any other federally insured investment.

At December 31, 1987, the District had cash and investments as follows:

	UNRESTRICTED	RESTRICTED	TOTAL
Cash (demand deposits)	\$ 62,322	\$221,681	\$283,993

At year end, the carrying amount of the District's deposits (demand deposits and certificates of deposits) were \$283,993, and the bank balances were \$221,413. A summary of collateralization of bank balances is presented below.

Insured (Federal deposit insurance)	\$300,000
Uncollateralized (in accordance with GARP - See below)	21,413
	<u>\$221,413</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the remaining 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 at least equal the amount on deposit with the fiscal agent.

The uncollateralized amount shown above is secured by pledged securities with a market value of \$24,818 held in the name of the pledging fiscal agent banks in holding or custodial banks. Even though the pledged securities are considered uncollateralized under GARP, Louisiana Revised Statutes impose a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

North Vernon Waterworks District No. 1

Notes to the Financial Statements (Continued)

NOTE 3--AD VALOREM TAXES RECEIVABLE

The District utilized the Vernon Parish Sheriff's Office to collect its property taxes using the assessed values determined by the tax assessor of Vernon Parish.

For the year ended December 31, 1987, taxes of 10 mills and 17 mills were levied on property with assessed valuations totaling \$2,275,880 and was dedicated toward operations and maintenance and the sinking fund, respectively.

For the year ended December 31, 1988 total taxes levied were \$262,200. The receivable at December 31, 1987 consisted entirely of the current year assessment. A reserve for bad debts for ad valorem taxes is not deemed necessary at this time by management.

NOTE 4--ORGANIZATION COSTS

Amortization of organization costs is computed on the straight-line method over five years. For the year ended December 31, 1987, amortization expense has been computed for nine months since the water system was placed in operation in April 1987. The breakdown of organization costs and accumulated amortization is as follows:

Balance, December 31, 1986	\$58,772
Less: Accumulated amortization	(18,886)
Balance, December 31, 1987	\$39,886

Amortization expense for the year ended December 31, 1987, was \$8,886.



South Vernon Waterworks District No. 1

Notes to the Financial Statements (Continued)

Note 5--Fixed Assets & Construction-in-Progress

The following represents changes in fixed assets for the year ended December 31, 1997:

	Balance, 12/31/96	Additions	Retirements	Balance, 12/31/97
Land	\$ 15,000	\$ ---	\$ ---	\$ 15,000
Autom and trucks	---	16,319	---	16,319
office equipment and fixtures	8,222	3,251	---	11,473
Water system	---	3,259,166	---	3,259,166
Total	\$ 23,222	\$ 3,278,736	\$ ---	\$ 3,299,958

Depreciation expense for the year ended December 31, 1997, was \$48,791. Depreciation was computed for nine months since the water system was placed in operation in April 1997.

Construction in progress activity for the year ended December 31, 1997 was as follows:

Balance, January 1, 1997	\$ 2,871,553
Additions	578,633
reclassification	(3,259,166)
Balance, December 31, 1997	\$ ---

Construction in progress has been reclassified as water system fixed assets and depreciation has been computed for year ended December 31, 1997 based on the nine months that the system was in operation.

South Western Waterworks District No. 1

Notes to the Financial Statements (Continued)

NOTE 6--GENERAL LONG-TERM DEBT

Bonds payable at December 31, 1987 is comprised of the following issues:

Bonds payable, December 31, 1986	\$100,000
Bonds issued	---
Bonds retired	(10,000)
Bonds payable, December 31, 1987	\$100,000

The above represents \$100,000 in general obligation bonds dated May 1, 1984; due in annual installments of \$0,000-\$20,000 through 2024; interest at 5.40%-6.80%. The first principal installment was due on March 1, 1984.

The following represents interim financing activity for the District for the year ended December 31, 1987:

	FPA FPA Bonds	FPA Rev. Bonds Series A
Balance at 12/31/86	\$2,712,000	\$ 48,816
Prior period correction	---	5,000
Additions	---	24,168
Payments	---	---
Balance at 12/31/87	\$2,712,000	\$ 77,984

The District will begin making principal payments in 1998 and only paid interest expense on its outstanding revenue bonds in 1987. The interest rate on these bonds is 4.875% and the FPA has not established a definitive amortization schedule at this time, but only a proposed one on which an approximate maturity date of the year 2026 has been set.

South Western Waterworks District No. 1

Notes to the Financial Statements (Continued)

NOTE 6--GENERAL LONG-TERM DEBT (Continued)

The annual requirements to amortize all revenue bonds outstanding as of December 31, 1997, including interest payments of \$3,564,428, are as follows:

1998	\$ 146,881
1999	150,718
2000	150,884
2001	149,619
2002	150,138
2003-2007	958,300
2008-2012	958,000
2013-2017	878,974
2018-2022	818,435
2023-2027	818,148
2028-2032	812,019
2033-2038	882,366
Total	\$3,862,428

NOTE 7--LITIGATION

The District was not involved in any litigation nor did it have asserted claims lodged against it.

NOTE 8--Contributed Capital - FWA Grant

Changes in contributed capital for the year ended December 31, 1997 were as follows:

Balance at December 31, 1996	\$ 24,184
Additions	501,814
Amortization	(12,887)
Balance at December 31, 1997	\$512,111

NOTE 9--Prior Period Adjustment

A prior period adjustment has been made to reflect an understatement of revenue bonds payable at December 31, 1996 for \$5,880. Accordingly, at December 31, 1996 the balances in revenue bonds payable was understated by \$5,880 and interest expense for the same period was also understated. The appropriate adjustment has been made in the current fiscal period.

North Vernon Waterworks District No. 1

Notes to the Financial Statements (Continued)

**NOTE 12--RETAINED EARNINGS DEFICIT**

The District has an unreserved - undesignated deficit of \$198,849 at December 31, 1997. The District raised its water rates by approximately 20% in mid 1998 and hopes to begin eliminating the deficit through increased revenue and controlled spending.

**SUPPLEMENTARY INFORMATION**

South Vernon Waterworks District No. 1

Supplementary Information

For the year ended December 31, 1997

Schedule 1

COMPENSATION OF BOARD MEMBERS

The schedule of per diem paid to board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1996 session of the legislature.

As provided by Louisiana Revised Statute 33:4004, District board members received \$40 per diem for attendance at meetings of the board in 1997.

	Number Attended	Amount
Robert Kates	3	\$ 120
Rita Charbonnet	11	440
Daleck Dizon	10	400
Teddy Hayes	6	240
Margaret Godin	12	480
B. Grady Stephens	12	480
Total	64	2,560

South Vernon Waterworks District No. 1  
SCHEDULE OF PRIOR YEAR FINDINGS

For the Fiscal Year ended December 31, 1997

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE  
FINANCIAL STATEMENTS**

There were no prior year findings relating to internal control and compliance material to the financial statements.

**SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FED-  
ERAL AWARDS**

There were no prior year findings relating to internal control and compliance material to federal awards.

**SECTION III MANAGEMENT LETTER**

There was no management letter with prior year audit report.

See independent auditor's report.

South Virginia Waterworks District No. 3  
MANAGEMENT'S CORRECTIVE ACTION PLAN

For the Fiscal Year Ended December 31, 1997

<b>SECTION I</b>	<b>INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENT</b>
1997.1	The Board will more closely monitor the timely completion of the December 31, 1998 audit by June 30, 1999 and require the Auditor to complete it in a timely fashion.
<b>SECTION II</b>	<b>INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AGENCIES</b>
	N/A
<b>SECTION III</b>	<b>MANAGEMENT LETTER</b>
	N/A

See independent auditor's report.