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**RICHLAND PARISH TAX COMMISSION  
STATE OF LOUISIANA**

**FINANCIAL REPORTS**

**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

Release Date **DEC 15 1999**

**RICHLAND PARISH TAX COMMISSION**  
**State of Louisiana**

**General Purpose Financial Statements**  
**As of and for the Year Ended June 30, 1999**  
**With Supplemental Information Schedules**

**C O N T E N T S**

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**MEEKS & CALVIT**  
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

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705 Julia Street • Rayville, Louisiana 71269 • 318-728-0007 • Fax 318-728-5533

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Zoe P. Meeks, CPA

Sylvia D. Calvit, CPA

Board of Commissioners  
Richland Parish Tax Commission  
State of Louisiana

We have audited the accompanying general purpose financial statements of the Richland Parish Tax Commission, State of Louisiana, 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 Richland Parish 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 *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 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Richland Parish Tax Commission, State of Louisiana, 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 a report dated November 5, 1999, on our consideration of the Richland Parish Tax Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

*Meeks & Calvit*

November 5, 1999

**RICHLAND PARISH TAX COMMISSION**  
**State of Louisiana**  
**ALL FUND TYPES AND ACCOUNT GROUPS**

**Balance Sheet, June 30, 1999**

	<u>GOVERNMENTAL FUND</u>	<u>FIDUCIARY FUND</u>	<u>ACCOUNT GROUP</u>	<u>GENERAL LONG-TERM DEBT</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
	<u>GENERAL FUND</u>	<u>AGENCY FUND</u>	<u>GENERAL FIXED ASSETS</u>	<u>GENERAL LONG-TERM DEBT</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
<b>ASSETS AND OTHER DEBITS</b>					
Assets:					
Cash and cash equivalents	\$15,325	\$	\$	\$	\$15,325
Restricted cash		1,749			1,749
Prepaid assets	2,177				2,177
Land, buildings and equipment			72,898		72,898
Amount to be provided for retirement of annual and sick leave debt				<u>2,027</u>	<u>2,027</u>
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<u>17,502</u>	<u>1,749</u>	<u>72,898</u>	<u>2,027</u>	<u>94,176</u>
<b>LIABILITIES, EQUITY, AND OTHER CREDITS</b>					
Liabilities:					
Accounts payable	659				659
Payroll deductions and withholdings payable	904				904
Salaries and wages payable	1,744				1,744
Estimated annual and sick leave				2,027	2,027
Retirement payable	2,066				2,066
Due to other taxing authorities		<u>1,749</u>			<u>1,749</u>
<b>Total Liabilities</b>	<u>5,373</u>	<u>1,749</u>		<u>2,027</u>	<u>9,149</u>
Equity and Other Credits:					
Investment in general fixed assets			72,898		72,898
Fund balances:					
Unreserved - undesignated	<u>12,129</u>				<u>12,129</u>
<b>Total Equity and Other Credits</b>	<u>12,129</u>		<u>72,898</u>		<u>85,027</u>
<b>TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS</b>	<u>\$17,502</u>	<u>\$1,749</u>	<u>\$72,898</u>	<u>\$2,027</u>	<u>\$94,176</u>

The accompanying notes are an integral part of this statement.

**RICHLAND PARISH TAX COMMISSION**  
**State of Louisiana**  
**GOVERNMENTAL FUNDS**

**Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 1999**

	<u>GENERAL FUND</u>
<b>REVENUES</b>	
Intergovernmental revenues	\$87,478
Interest earnings	<u>554</u>
Total Revenues	<u>88,032</u>
 <b>EXPENDITURES</b>	
Dues and subscriptions	638
Employee benefits	7,494
Insurance	1,775
Professional services	5,653
Office supplies and expense	2,500
Postage	2,587
Repairs and maintenance	1,512
Salaries	52,892
Telephone	2,180
Travel	1,241
Utilities	1,957
Capital outlay	<u>12,277</u>
Total Expenditures	<u>92,706</u>
 <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	 (4,674)
 <b>FUND BALANCES AT BEGINNING OF YEAR</b>	 <u>16,803</u>
 <b>FUND BALANCES AT END OF YEAR</b>	 <u>\$12,129</u>

The accompanying notes are an integral part of this statement.

**RICHLAND PARISH TAX COMMISSION**  
**State of Louisiana**  
**GOVERNMENTAL FUND - GENERAL FUND**

**Statement of Revenues, Expenditures,  
and Changes in Fund Balance - Budget  
(GAAP) Basis and Actual  
For the Year Ended June 30, 1999**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Intergovernmental revenues	\$86,676	\$87,478	\$ 802
Interest earnings	<u>      -</u>	<u>      554</u>	<u>      554</u>
Total revenues	<u>86,676</u>	<u>88,032</u>	<u>1,356</u>
<b>EXPENDITURES</b>			
Dues and subscriptions	643	638	5
Employee benefits	7,506	7,494	12
Insurance	1,931	1,775	156
Professional services	6,300	5,653	647
Office supplies and expense	2,626	2,500	126
Postage	3,128	2,587	541
Repairs and maintenance	2,056	1,512	544
Salaries	55,780	52,892	2,888
Telephone	2,400	2,180	220
Travel	1,646	1,241	405
Utilities	2,500	1,957	543
Capital outlay	<u>13,160</u>	<u>12,277</u>	<u>883</u>
Total expenditures	<u>99,676</u>	<u>92,706</u>	<u>6,970</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(13,000)</b>	<b>(4,674)</b>	<b>8,326</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>16,803</u>	<u>16,803</u>	<u>      -</u>
<b>FUND BALANCE OF END OF YEAR</b>	<u><b>\$3,803</b></u>	<u><b>\$12,129</b></u>	<u><b>\$8,326</b></u>

The accompanying notes are an integral part of this statement.

**RICHLAND PARISH TAX COMMISSION**  
**State of Louisiana**  
**FIDUCIARY FUND - AGENCY FUND**

**Statement of Changes in Assets and Liabilities**  
**For the Year Ended June 30, 1999**

		<u>Amount</u>
Cash		<u>\$ 1,749</u>
Cash at beginning of year		1,832
Add:		
Tax collections	6,645,704	
Interest income	<u>346</u>	
		6,646,050
Deduct:		
Remittance to taxing authorities		
Richland Parish School Board	2,246,080	
Richland Parish Police Jury	2,231,540	
Richland Parish Sheriff's Office	743,856	
Town of Delhi	456,368	
Town of Mangham	41,799	
Town of Rayville	866,503	
Revenue Recovery Group	<u>59,904</u>	
		(6,646,050)
Decrease in deposits held		(429)
Increase in accounts payable		<u>346</u>
Cash at end of year		<u>\$ 1,749</u>

**RICHLAND PARISH TAX COMMISSION**  
**State of Louisiana**

**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 1999**

**INTRODUCTION**

The Richland Parish Tax Commission was established by joint agreement for the collection of sales and use taxes and other fees on April 14, 1992. The following taxing authorities, Town of Rayville, Louisiana, Town of Mangham, Louisiana, Town of Delhi, Louisiana, Richland Parish School Board, Richland Parish Police Jury, and Richland Parish Sheriff Office are the parties to the joint agreement. The joint agreement was renewed in May, 1995. The Commission is managed by a Board of Commissioners composed of nine members. A chairman is elected from the nine members to serve a one year term. The Board of Commissioners appoints an administrator who shall serve at the pleasure of the Board. The commissioners receive no compensation for their services.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying general purpose financial statements of the Richland Parish 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 principles.

**B. REPORTING ENTITY**

The report contains all of the funds and account groups of the Richland Parish Tax Commission. There are no significant additional organizations, functions, or activities over which the Commission has manifestation of oversight, or for which the scope of public services or special financial arrangements may require them to be included in this report as per the criteria set forth in GASB 14.

**C. FUND ACCOUNTING**

The Commission 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 government functions or 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.

Funds of the Commission are classified as governmental funds and fiduciary funds. Governmental funds account for the Commission's general activities, including the collection and disbursement of specific or



**RICHLAND PARISH TAX COMMISSION**  
**State of Louisiana**

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 1999**

legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the Commission include:

General Fund - the general operating fund of the district and accounts for all financial resources, except those required to be accounted for in other funds.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Commission. Fiduciary funds of the Commission include:

Agency Fund - account for assets that the Commission holds on behalf of others as their agent. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**D. BASIS OF ACCOUNTING**

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

**Revenues**

Revenues are recognized when available and measurable.

**Expenditures**

Expenditures are recognized when incurred.

**E. BUDGETS**

A preliminary budget for the ensuing year is prepared by the administrator prior to May 1<sup>st</sup> of each year. The budget is adopted during the Commission's quarterly meeting prior to June 15<sup>th</sup>. All annual appropriations lapse at fiscal year end.

The combined statement of revenues, expenditures, and changes in fund balances-budget and actual for the governmental fund type presents comparisons of the legally adopted budget as amended with actual data on a budgetary basis. Accounting principles applied for purposes of developing data on a budgetary basis and those used to present financial statements in conformity with generally accepted accounting principles are the same and no adjustment is necessary to convert the actual GAAP data to the budgetary basis.

**RICHLAND PARISH TAX COMMISSION**  
**State of Louisiana**

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 1999**

**F. ENCUMBRANCES**

The Commission does not use the encumbrance system of accounting.

**G. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Commission may deposit funds in demand deposits, interest-bearing demand 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. FIXED ASSETS**

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

**I. ANNUAL AND SICK LEAVE**

The district has the following policy relating to vacation and sick leave:

Full-time employees of the Commission are entitled to ten working days of annual leave after completing one year of employment, and one day per month of sick leave which also may be accumulated. A maximum of five days leave time may be carried forward to January 1<sup>st</sup> of the following year. Upon resignation or retirement, employees may be compensated for up to ten days of accumulated annual leave and up to ten days of accumulated sick leave at the employee's current rate of pay.

The liability for unused annual and sick leave payable at June 30, 1999, computed in accordance with GASB Codification Section C60, is estimated to be \$2,027. Of this amount, \$2,027 is recorded within the General Long-Term Debt Account Group.

**J. GENERAL LONG-TERM OBLIGATIONS**

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

**RICHLAND PARISH TAX COMMISSION**  
**State of Louisiana**

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 1999**

The long-term obligations outstanding at June 30, 1999 consist of the liability for unused annual leave as described in Note 1. The following is a summary of the long-term obligation transactions for the year ended June 30, 1999:

Long-term obligations payable at July 1, 1998	\$ -
Additions	2,027
Retirements	<u>-</u>
Long-term obligations payable at June 30, 1999	<u>\$2,027</u>

**K. FUND EQUITY**

**Reserves**

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

**Designated Fund Balances**

Designated fund balances represent tentative plans for future use of financial resources.

**L. TOTAL COLUMNS ON STATEMENTS**

The total columns on the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**2. CASH AND CASH EQUIVALENTS**

At June 30, 1999, the district has cash and cash equivalents (book balances) totaling \$17,074 as follows:

Interest-bearing demand deposits	<u>\$17,074</u>
----------------------------------	-----------------

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. At June 30, 1999, the district has

**RICHLAND PARISH TAX COMMISSION**  
**State of Louisiana**

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 1999**

\$57,095 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance.

**3. CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

	Balance June 30, <u>1998</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>1999</u>
Lot & Building	\$37,500	\$ -	\$ -	\$37,500
Furniture & Equipment	<u>23,639</u>	<u>12,659</u>	<u>900</u>	<u>35,398</u>
Total	<u>\$61,139</u>	<u>\$12,659</u>	<u>\$900</u>	<u>\$72,898</u>

**4. PENSION PLAN**

*Plan Description.* Substantially all employees of the Richland Parish Tax Commission are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the district are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to 1% of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

*Funding Policy.* Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the district is required to contribute at an actuarially determined rate. The current rate is 7.75% of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and

**RICHLAND PARISH TAX COMMISSION**  
**State of Louisiana**

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 1999**

East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the district are established and may be amended by state statute. As provided by R. S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The district's contributions to the System under Plan A for the years ending June 30, 1999, 1998, and 1997 were \$3,986, \$3,784, and \$3,662, respectively, equal to the required contributions for each year.

**5. LITIGATION AND CLAIMS**

At June 30, 1999, the district is involved in one lawsuit. A class action lawsuit has been brought against all tax commissions within the state involving tax collection by the Department of Revenue and Taxation and the Department of Public Safety on behalf of taxing authorities. It is unknown what the potential liability is in this case as of June 30, 1999, but it does not appear that there is a substantial likelihood of unfavorable outcome against the Richland Parish Tax Commission.

**RICHLAND PARISH TAX COMMISSION**  
**State of Louisiana**

**Supplemental Information Schedules**  
**For the Year Ended June 30, 1999**

**COMPENSATION PAID BOARD MEMBERS**

A schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

**PRIOR AUDIT FINDINGS**

The follow-up and corrective action taken on all prior audit findings is presented in the summary schedule of prior audit findings (Schedule 2).

**RICHLAND PARISH TAX COMMISSION  
State of Louisiana**

**Schedule of Compensation Paid Board Members  
For the Year Ended June 30, 1999**

<u>NAME</u>	<u>AMOUNT</u>
Mayor Jimmy Hopson, Town of Delhi	\$ 0
Mayor Isam Berry, Town of Rayville	0
Charles Germany, Town Clerk of Rayville	0
Zona McKay, Town of Mangham	0
Bonnie Adams, Superintendent of Richland Parish Schools	0
James Hough, President of Richland Parish School Board	0
Joe Lively, President of Richland Parish Police Jury	0
Kathy Burns, Secretary of Richland Parish Police Jury	0
Deputy Charles McDonald, Richland Parish Sheriff Office	<u>0</u>
	<u>\$ 0</u>

**RICHLAND PARISH TAX COMMISSION**  
**State of Louisiana**

**Summary of Prior Audit Findings**  
**For the Year Ended June 30, 1999**

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>	<u>Additional Explanation</u>
1	6/30/97	Limited staff precludes adequate segregation	No	None	Not cost beneficial at this time
2	6/30/97	Increase in audits	Partially	Effort to increase number to be completed.	Number of audits limited by number of personnel available to perform audits
3	6/30/97	Checklists and/or spreadsheets to facilitate audits	Yes	Checklists maintained	
4	6/30/98	No policy on waiving of penalties by administrator	No	No corrective action necessary	Policy was already in place
5	6/30/98	Sales tax & accounting software not Y2K compliant	Yes	Software updated to Y2K compliant versions	Hardware was upgraded also



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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  
Richland Parish Tax Commission  
State of Louisiana

We have audited the general purpose financial statements of Richland Parish Tax Commission, State of Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated November 5, 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 Richland Parish Tax Commission's general purpose financial statements are free of material misstatement, we 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 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Richland Parish Tax Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting 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 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

*Meeks & Calvit*

November 5, 1999