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SOCIALIZATION SERVICES, INC.  
SHREVEPORT, LOUISIANA

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS,  
INTERNAL CONTROL AND COMPLIANCE

JUNE 30, 1998

JERRY L. WHITE  
CERTIFIED PUBLIC ACCOUNTANT  
19 COLMART WAY  
BRIDGEWATER, NEW JERSEY 08807  
PHONE: (908) 541-0797

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 NOV 17 1998

SOCIALIZATION SERVICES , INC.  
SHREVEPORT, LOUISIANA

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS,  
INTERNAL CONTROL AND COMPLIANCE  
JUNE 30, 1998

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**JERRY L. WHITE**  
Certified Public Accountant

19 Colmart Way  
Bridgewater, NJ 08807  
(908) 541-0797

INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Socialization Services, Inc.  
Shreveport, Louisiana

I have audited the accompanying general purpose financial statements of Socialization Services, Inc., a non-profit corporation, as of June 30, 1998 and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of the Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards require that I 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 by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Socialization Services, Inc., as of June 30, 1998, and the results of its operations and changes in financial position for the year then ended in conformity with generally accepted accounting principles.

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

*Jerry L. White*

Jerry L. White  
Certified Public Accountant

October 30, 1998

SOCIALIZATION SERVICES , INC.  
 SHREVEPORT, LOUISIANA  
 ALL FUND TYPES AND ACCOUNTS GROUPS  
 COMBINED BALANCE SHEET  
 For the Fiscal Year Ended June 30, 1998

	<u>Elderly Affair Grant Fund</u>	<u>Alcohol And Drug Abuse</u>	<u>General Fund</u>
<b>ASSETS</b>			
Cash	\$ 409	\$ 9,120	\$ 15,880
Grant Receivable (3)			4,928
Employee Advances			19
Due from Elderly Fund			2,000
Furniture and Equipment			
Amt to be provided for retirement of general long-term debt (5)			
<b>TOTAL ASSETS</b>	<u>\$ 409</u> =====	<u>\$ 9,120</u> =====	<u>\$ 22,827</u> =====
<b>LIABILITIES AND FUND EQUITY</b>			
<b>Liabilities:</b>	\$	\$	\$
Bank Overdraft			
Taxes Payable			
Due to General Fund	2,000		
Accounts Payable			
Loans Payable (5)			
<b>TOTAL LIABILITIES</b>	2,000		
<b>Fund Equity:</b>			
Investment in general fixed assets			
<b>Fund Balance:</b>			
Unreserved	<u>(1,591)</u>	<u>9,120</u>	<u>22,827</u>
<b>Total Fund Equity</b>	<u>(1,591)</u>	<u>9,120</u>	<u>22,827</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 409</u> =====	<u>\$ 9,120</u> =====	<u>\$ 22,827</u> =====

The accompanying notes are an integral part of this statement.

<u>Account Groups</u>		<u>Total (Memorandum Only)</u>
<u>General Fixed Assets</u>	<u>General Long- Term Debt</u>	
\$	\$	\$ 25,409
		4,928
		19
		2,000
68,283		68,283
<hr/>		<hr/>
\$ 68,283	\$	\$ 100,639
<hr/>		<hr/>
\$	\$	\$
		2,000
<hr/>		<hr/>
		2,000
68,283		68,283
<hr/>		<hr/>
		30,356
68,283		98,639
<hr/>		<hr/>
\$ 68,283	\$	\$ 100,639
<hr/>		<hr/>

SOCIALIZATION SERVICES , INC.  
SHREVEPORT, LOUISIANA

COMBINED STATEMENT OF ACTIVITY  
For the Fiscal Year Ended June 30, 1998

	Elderly Affairs Grant Fund	Alcohol and Drug Abuse Grant Fund
REVENUES:		
Intergovernmental	\$ 187,075	\$ 72,355
Interest Income	1,303	21
Donations		
Other		
<b>Total Revenues</b>	<b>188,378</b>	<b>72,376</b>
EXPENDITURES:		
Personnel	97,299	42,990
Travel		439
Oper. Svcs	99,267	24,367
Oper. Supplies	229	3,500
Prof. Svcs		2,000
Capital Outlays		1,207
Other Costs	2,500	
<b>Total Expenditures</b>	<b>199,295</b>	<b>74,503</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(10,917)</b>	<b>(2,127)</b>
<b>FUND BALANCE, BEGINNING</b>	<b>(1,674)</b>	<b>11,247</b>
<b>INTERFUND TRANSFER</b>	<b>11,000</b>	
<b>FUND BALANCE, ENDING</b>	<b>\$ (1,591)</b>	<b>\$ 9,120</b>

The accompanying notes are an integral part of this statement.

General Fund	Total (Memo Only)
\$ 58,807	\$ 318,237
157	1,481
3,688	3,688
62,652	323,406
42,706	182,995
183	622
3,241	126,875
1,073	4,802
1,500	3,500
	1,207
	2,500
48,703	322,501
13,949	905
19,878	29,451
(11,000)	
\$ 22,827	\$ 30,356



SOCIALIZATION SERVICES , INC.  
SHREVEPORT, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE BUDGET (GAAP BASIS) AND ACTUAL - ELDERLY AFFAIRS FUND TYPE  
For the Fiscal Year Ended June 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
	<u>          </u>	<u>          </u>	<u>          </u>
REVENUES:			
Intergovernmental	\$187,075	\$187,075	\$
Interest Income		1,303	1,303
Total Revenues	<u>187,075</u>	<u>188,378</u>	<u>1,303</u>
EXPENDITURES:			
Personnel	97,421	97,299	122
Operating Services	86,916	99,267	(12,351)
Travel			
Supplies	238	229	9
Other Expenses	2,500	2,500	
Total Expenditures	<u>187,075</u>	<u>199,295</u>	<u>(12,220)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		(10,917)	(10,917)
FUND BALANCE, BEGINNING		(1,674)	(1,674)
INTERFUND TRANSFER		11,000	11,000
FUND BALANCE, ENDING	\$ =====	\$ (1,591) =====	\$ (1,591) =====

The accompanying notes are an integral part of this statement.

SOCIALIZATION SERVICES , INC.  
SHREVEPORT, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE BUDGET (GAAP BASIS) AND ACTUAL - SOUTH SHREVEPORT COMMUNITY  
CENTER FOR DRUG AND ALCOHOL ABUSE  
For the Fiscal Year Ended June 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
	<u>          </u>	<u>          </u>	<u>          </u>
REVENUES:			
Intergovernmental	\$ 72,355	\$ 72,355	\$
Interest Income		21	21
Other			
Total Revenues	<u>72,355</u>	<u>72,376</u>	<u>21</u>
EXPENDITURES:			
Personnel	39,004	42,990	(3,986)
Travel	1,500	439	1,061
Operating Services	24,144	24,367	(223)
Operating Supplies	4,500	3,500	1,000
Other Expenses	2,000	2,000	
Capital Outlay	1,207	1,207	
Total Expenditures	<u>72,355</u>	<u>74,503</u>	<u>(2,148)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(2,127)	(2,127)
FUND BALANCE, BEGINNING	<u>          </u>	<u>11,247</u>	<u>11,247</u>
FUND BALANCE, ENDING	\$ <u>          </u>	\$ 9,120 <u>          </u>	\$ 9,120 <u>          </u>

The accompanying notes are an integral part of this statement.

SOCIALIZATION SERVICES, INC.  
SHREVEPORT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Presentation of Statements:

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 governmental entities. In November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments.

The accompanying financial statements conform to generally accepted accounting principles for local government entities as prescribed by Statement 1, Governmental Accounting and Financial Reporting Principles published by the National Council on Governmental Accounting; Audits of State or Local Governmental Units, the industry audit guide issued by the American Institute of Certified Public Accountants; Section 800 - Fiscal Requirements, Appendix A, accounting manual for the Governor's Office of Elderly Affairs; and, the revised Louisiana Municipal Audit and Accounting Guide.

b. Organization

Socialization Services, Inc. was incorporated on July 11, 1984 as Humana Socialization, Inc., in Shreveport, Louisiana for civic and charitable purposes. Effective December 1, 1986, the Board of Directors adopted the name of Socialization Services, Inc. The Board of Directors is composed of nine members. The board officers for the year ended June 30, 1998 were Mr. Charles Raye, Chairman, Mrs Sallie Pennywell, Treasurer, and Mrs Rosie Cothan, Secretary. Board members are not compensated.

SOCIALIZATION SERVICES, INC.  
SHREVEPORT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

JUNE 30, 1998

c. Fund Accounting:

Socialization Services, Inc. use 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 related to certain governmental financed functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, 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 funds are grouped in the financial statements of this report, into one generic fund type as follows:

(1) Elderly Affairs Grant Fund

The Elderly Affairs Grant Fund is used to account for proceeds of the grant received from the Louisiana Office of Urban Affairs.

(2) Drug and Alcohol Abuse Grant Fund

The Drug and Alcohol Abuse Grant Fund is used to account for proceeds of the grant received from the Louisiana Office of Urban Affairs.

SOCIALIZATION SERVICES, INC.  
SHREVEPORT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

JUNE 30, 1998

c. Fund Accounting (Con't):

(3) General Fund

The General Fund is used to account for funds and activities not directly related to program funds. Funds is provided from the State of Louisiana for processing Medicaid applicants and from the City of Shreveport for processing clients for water bill reimbursement.

d. Basis of Accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All funds utilized by Socialization Services, Inc. are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all funds appearing in this financial report. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Socialization Services, Inc. considers revenue as available if it is collected within 60 days after year end. Those revenues susceptible to accrual are intergovernmental and contributions from private sources. Expenditures are recorded when the related fund liability is incurred.

SOCIALIZATION SERVICES, INC.  
SHREVEPORT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

JUNE 30, 1998

e. Budgets and Budgetary Accounting:

Socialization Services, Inc. generally follows these procedures in establishing the budgetary data reflected in these financial statements:

1. Management, with technical assistance provided by the State of Louisiana Office of Urban Affairs, prepares a proposed budget and submits the same to the Board of Directors for approval prior to the beginning of each fiscal year.
2. Budgetary amendments involving the transfer of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Directors.
3. All budgetary appropriations lapse at the end of each fiscal year.
4. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Directors or the Louisiana Office of Urban Affairs.

SOCIALIZATION SERVICES, INC.  
SHREVEPORT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

JUNE 30, 1998

e. Budgets and Budgetary Accounting (Con't):

5. Formal budgetary integration is employed as a management control device during the year for all funds.
6. Expenditures can legally exceed appropriations, but not more than 5%.

f. Expenditures - Actual and Budget

The following individual fund had actual expenditures over budgeted expenditures for the year ended June 30, 1998:

ELDERLY AFFAIRS FUND  
ALCOHOL AND DRUG ABUSE

g. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in grant funds, and the related assets are reported in the general fixed assets accounts group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs on normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

SOCIALIZATION SERVICES, INC.  
SHREVEPORT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

JUNE 30, 1998

h. Cash

All cash funds are covered by FDIC insurance at a federally insured financial institution.

i. Accrued Vacation Liability

The current policy of Socialization Services, Inc. does not provide for the accumulation of earned leave by employees; therefore, these financial statements do not contain a provision for accrued vacation liability.

j. Total Columns on Combined Statements - Overview

Total columns on the Combined Statements - Overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

(2) FUNDING

Socialization Services, Inc. was funded by the Louisiana Office of Urban Affairs for the fiscal year ended June 30, 1998, receiving \$187,075 and \$72,355 for the Elderly program and the Drug and Alcohol Abuse program respectively. Additional funding was received from the State of Louisiana for Medicaid in the amount of \$23,870 and from the City of Shreveport, receiving \$34,937 for Water and Housing.



SOCIALIZATION SERVICES, INC.  
SHREVEPORT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

JUNE 30, 1998

(3) GRANTS RECEIVABLE

State of Louisiana	\$ 3,010.00
City of Shreveport	<u>1,918.40</u>
	\$ 4,928.40
	=====

(4) INCOME TAX STATUS

Socialization Services, Inc., a non-profit corporation, is exempt from federal income taxation under Section 501 (c) (3) of the Internal Revenue Code.

(5) CHANGES IN LONG-TERM DEBT

Socialization Services extinguished all long term debt in fiscal ended June 30, 1998.

(6) JUDGEMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

There is no litigation pending against Socialization Services as of June 30, 1998. Furthermore, Socialization Services' management believes that any potential lawsuits would be adequately covered by insurance.

Socialization Services receives revenues from various State grant programs which are subject to final review and approval as to allowability of expenditures by the respective grantor agencies. Any settlements or expenses arising out of a final review are recognized in the period in which agreed upon by the agency and Socialization Services. Also, it is management's opinion that any audits by the grantor agencies would not produce disallowed program costs and liabilities to such an extent that they would materially affect Socialization Services' financial position.

**JERRY L. WHITE**  
Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
LAWS AND REGULATIONS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS ISSUED BY THE GAO

Board of Directors  
Socialization Services, Inc.  
Shreveport, Louisiana

I have audited the general purpose financial statements of the Socialization Services, Inc., Shreveport, Louisiana as of and for the year ended June 30, 1998, and have issued my report thereon dated October 30, 1998.

I conducted my audit in accordance with generally accepted auditing standards, Governmental Auditing Standards, issued by the Comptroller General of the United States, and the provisions of the Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants, applicable to Socialization Services, Inc., Shreveport, Louisiana is the responsibility of Socialization Services' management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of Socialization Services' compliance with certain provisions of laws, regulations, contracts, and grants. However, it should be noted that my objective was not to provide an opinion on overall compliance with such provisions.

The results of my tests indicate that, with respect to the items tested, Socialization Services, Inc. complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that Socialization Services Inc. had not complied, in all material respects, with those provisions.

This report is intended for the information of the audit committee, management, the State of Louisiana Office of Urban Affairs. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Jerry L. White*

JERRY L. WHITE  
CERTIFIED PUBLIC ACCOUNTANT

October 30, 1998

**JERRY L. WHITE**  
Certified Public Accountant

19 Colmart Way  
Bridgewater, NJ 08807  
(908) 541-0797

**INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL  
CONTROL STRUCTURE IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

I have audited the general purpose financial statements of Socialization Services Inc., as of and for the year ended June 30, 1998, and have issued my report thereon dated October 30, 1998.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing my audit of the general purpose financial statements of Socialization Services Inc., for the year ended June 30, 1998, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

The management of Socialization Services, Inc., is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with general accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk

that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

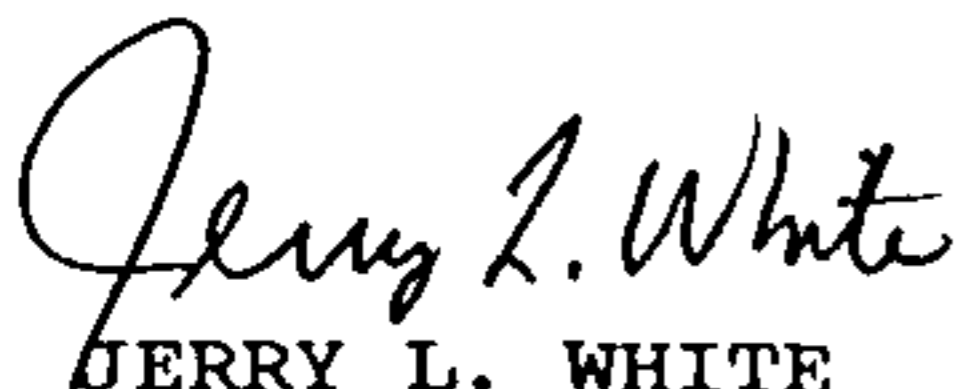
For the purpose of this report, I have classified the significant internal control structure policies and procedures in the following categories:

- o Cash Receipts
- o Cash Disbursements
- o Purchasing and Receiving
- o Payroll
- o Property and Equipment

For all of the internal control structure categories listed above, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above.

This report is intended for the information of the audit committee, management, the State of Louisiana Office of Urban Affairs and Development. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



JERRY L. WHITE  
CERTIFIED PUBLIC ACCOUNTANT

October 30, 1998

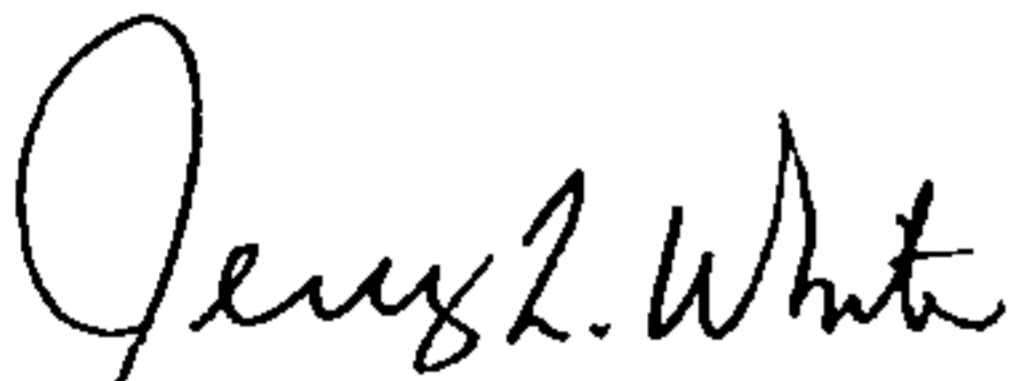
**JERRY L. WHITE**  
Certified Public Accountant

19 Colmart Way  
Bridgewater, NJ 08807  
(908) 541-0797

**MANAGEMENT LETTER COMMENTS**

Board of Directors  
Socialization Services, Inc.  
Shreveport, Louisiana

THERE ARE NO MANAGEMENT LETTER COMMENTS FOR THE AUDIT PERIOD COVERED.



JERRY L. WHITE  
CERTIFIED PUBLIC ACCOUNTANT

October 30, 1998

**JERRY L. WHITE**  
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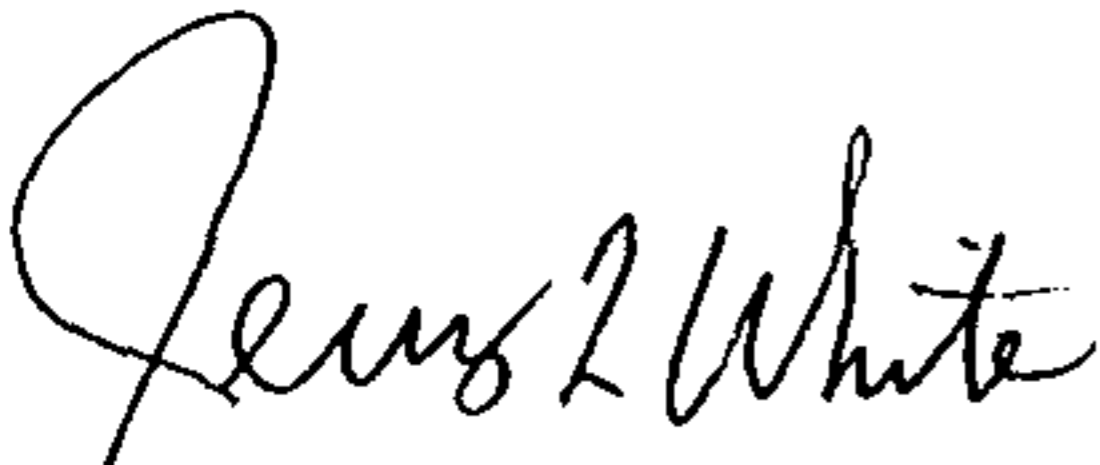
SUMMARY OF PRIOR YEAR COMMENTS

In 1997 the following Management Letter Comment was issued:

- 1) Require all participants of the Drug Abuse Education program to sign in as evidence of their attendance.

As a result of this comment, the Drug Abuse Education Program implemented sign-in and sign-out sheets for all students participating in the program. These sheets are maintained on a permanent basis and were included in the compliance testing performed by this Auditor.

The Board Chairman response to the prior year recommendation is included in this report.



JERRY L. WHITE  
CERTIFIED PUBLIC ACCOUNTANT

October 30, 1998

8805  
AD

*Socialization Services, Incorporated*

2026 Desoto Street  
Shreveport, Louisiana 71103  
(318) 636-5281 Fax: 636-5385

RECEIVED  
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October 13, 1997

Legislative Audit Advisory Council  
P. O. Box 94397  
Baton, Rouge, La. 70804-9397

Attn: Daniel Kyle, CPA CFE  
Secretary

Dear Mr. Kyle,

In reference to your letter dated Oct. 6th, concerning the audit report on the Drug Abuse Program - pg. 20.

In response to the audit recommendations I have implimented sign-in and sign-out sheets for all student participation which will be maintained as a permanent support documentation.

If there are any questions or if I can be of further assistance, please feel free to call.

Sincerely,

  
Charles Raye  
Board Chairman

CR:jf



**JERRY L. WHITE**  
Certified Public Accountant

19 Colmart Way  
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(908) 541-0797

MANAGEMENT'S CORRECTIVE ACTION PLAN REPORT

There were no audit findings and or comments for the year ended June 30, 1998 and therefore a Management Corrective Action Plan was not applicable.



JERRY L. WHITE  
CERTIFIED PUBLIC ACCOUNTANT

October 30, 1998