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LAWTELL GRAVITY DRAINAGE DISTRICT NO. ELEVEN
OF ST. LANDRY PARISH
OPELOUSAS, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

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 **AUG 11 1998**

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Joel Lanclos, Jr., CPA
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INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
 Lawtell Gravity Drainage
 District No. Eleven of St. Landry Parish
 Opelousas, Louisiana

We have audited the accompanying general purpose financial statements of the Lawtell Gravity Drainage District No. Eleven of St. Landry Parish, a component unit of the St. Landry Parish Police Jury, as of and for the year ended December 31, 1998. These general purpose financial statements are the responsibility of Lawtell Gravity Drainage District No. Eleven'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 the standards applicable to financial audits contained in 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 above present fairly, in all material respects, the financial position of the Lawtell Gravity Drainage District No. Eleven of St. Landry Parish, as of December 31, 1998, 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 our report dated June 2, 1999 on our consideration of the Lawtell Gravity Drainage District No. Eleven of St. Landry Parish's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

John S. Dowling & Company
 Opelousas, Louisiana
 June 2, 1999

LAWTELL GRAVITY DRAINAGE DISTRICT NO. ELEVEN
OF ST. LANDRY PARISH
OPELOUSAS, LOUISIANA
BALANCE SHEET - GENERAL FUND
DECEMBER 31, 1998

	DECEMBER 31,	
	1998	(Memorandum Only) 1997
<u>ASSETS</u>		
Cash in bank	\$65,213	\$28,659
Checks on hand		4,333
Time deposits	176,885	238,671
Ad valorem tax receivable		
Net of allowance for uncollectibles	23,936	23,093
State revenue sharing receivable	3,579	3,644
Other assets	_____	375
<u>Total assets</u>	<u>269,613</u>	<u>298,775</u>
<u>LIABILITIES AND FUND EQUITY</u>		
<u>LIABILITIES</u>		
	-0-	-0-
<u>FUND EQUITY</u>		
Fund balance		
Unreserved and undesignated	\$269,613	\$298,775
<u>Total fund equity</u>	<u>269,613</u>	<u>298,775</u>
<u>Total liabilities and fund equity</u>	<u>269,613</u>	<u>298,775</u>

The accompanying notes are an integral part of this statement.

LAWTELL GRAVITY DRAINAGE DISTRICT NO. ELEVEN
OF ST. LANDRY PARISH
OPELOUSAS, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>DECEMBER 31,</u>	
	<u>1998</u>	<u>(Memorandum Only) 1997</u>
<u>REVENUES</u>		
Taxes		
Property tax	\$25,810	\$25,216
Intergovernmental		
State revenue sharing	5,288	5,467
Other		
Interest	<u>13,521</u>	<u>13,024</u>
<u>Total revenues</u>	<u>44,619</u>	<u>43,707</u>
<u>EXPENDITURES</u>		
Current operating		
Salary of secretary/treasurer	2,600	2,400
Commissioners' per diem and expenses	4,217	3,437
Payroll taxes	473	428
Restoring canals	59,246	8,202
Engineering assistance	500	500
Audit fee	2,000	
Office allowance	2,275	2,100
Chemical treatment of canals	2,470	14,575
Bank charges		<u>43</u>
<u>Total expenditures</u>	<u>73,781</u>	<u>31,685</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>		
<u>OVER (UNDER) EXPENDITURES</u>	(29,162)	12,022
<u>FUND BALANCE, beginning of year</u>	<u>298,775</u>	<u>286,753</u>
<u>FUND BALANCE, end of year</u>	<u>269,613</u>	<u>298,775</u>

The accompanying notes are an integral part of this statement.

LAWTELL GRAVITY DRAINAGE DISTRICT NO. ELEVEN
OF ST. LANDRY PARISH
OPELOUSAS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The entity being reported on is the Lawtell Gravity Drainage District No. Eleven of St. Landry Parish, which is a component unit of the St. Landry Parish Police Jury. The District was created by the St. Landry Parish Policy Jury as authorized by Louisiana Revised Statute 38:1751. The District is governed by a Board of Commissioners, which consists of five commissioners appointed by the St. Landry Parish Policy Jury.

The Gravity Drainage District was established for the purpose of opening and maintaining all natural drains in the District, where drainage is accomplished using the natural force of gravity.

A. BASIS OF PRESENTATION

The accounting and reporting practices of the Lawtell Gravity Drainage District No. Eleven of St. Landry Parish conform to generally accepted accounting principles as applicable 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

As the governing authority of the parish, for reporting purposes, the St. Landry Parish Police Jury is the financial reporting entity for St. Landry Parish. The financial reporting entity consists of (a) the primary government (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.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the St. Landry 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:

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 benefits to or impose specific financial burdens on the police jury.

LAWTELL GRAVITY DRAINAGE DISTRICT NO. ELEVEN
OF ST. LANDRY PARISH
OPELOUSAS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. REPORTING ENTITY (Continued)

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 financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Police Jury appoints a voting majority of the District's governing body and the Police Jury has the ability to impose its will on the District, the District was determined to be a component unit of the St. Landry Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. 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 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.

The fund of the District is classified as a governmental fund. Governmental funds account for the District's general activities, including the collection and disbursement of specific or legally restricted monies. The fund presented in the financial statements is described as follows:

General Fund

The General Fund is the general operating fund of the Lawtell Gravity Drainage District No. Eleven of St. Landry Parish. It is used to account for all financial resources.

LAWTELL GRAVITY DRAINAGE DISTRICT NO. ELEVEN
OF ST. LANDRY PARISH
OPELOUSAS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types 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 utilized by the governmental fund types. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, if measurable.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State of Louisiana are recognized when susceptible to accrual. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Purchase of various operating supplies are regarded as expenditures at the time purchased. The costs of governmental fund-type inventories are recorded as expenditures when purchased and items on hand at year-end, if any, are not recorded as assets. Expenditures for insurance and similar services which extend over more than one accounting period are accounted for as expenditures of the period of acquisition.

E. INVESTMENTS AND CASH

Investments are stated at cost, which approximates market.

Louisiana statutes authorize the District to invest in United States bonds, treasury notes or certificates, time certificates of deposit in state and national banks, or any other federally insured investments.

F. FIXED ASSETS AND LONG-TERM LIABILITIES

The District does not have fixed assets or long-term liabilities as of December 31, 1998. The District does not capitalize infrastructure assets, if any.

G. BUDGETS AND BUDGETARY ACCOUNTING

The Lawtell Gravity Drainage District No. Eleven did not adopt a budget for the year ended December 31, 1998.

LAWTELL GRAVITY DRAINAGE DISTRICT NO. ELEVEN
OF ST. LANDRY PARISH
OPELOUSAS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. ENCUMBRANCES

The District does not employ the encumbrance system of accounting.

I. PENSION PLAN, VACATION AND SICK LEAVE

The District does not have a pension plan or a vacation and sick leave policy. There is only one employee. This employee participates in the Social Security Retirement System.

NOTE 2 - CASH AND INVESTMENTS

At December 31, 1998, the bank balance of cash in the NOW checking account was \$65,505 and in the certificate of deposit account was \$176,885. The cash and investments are fully collateralized by federal deposit insurance and by collateral pledged by the banks in the Drainage District's name.

NOTE 3 - AD VALOREM TAXES

The District's ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. Property taxes are due on October 1 and become delinquent by January 1 of the following year. The St. Landry Parish Sheriff bills, collects, and distributes the property taxes for the District using the assessed values determined by the Tax Assessor of St. Landry Parish.

The District was required to remit 2.95435% in 1998 of the total ad valorem taxes per the tax roll to the pension fund. This amount is determined by the legislative auditor each year. Since the Sheriff collects all taxes for the parish, the tax collected in the first month is reduced by the Sheriff for the pension fund amount owed and the remainder is remitted to the taxing district. Therefore, the ad valorem tax receivable and revenue are shown net of pension fund distributions. A breakdown of tax receivable is as follows:

	<u>Total Per</u>	<u>Pension Fund</u>	<u>Amount</u>	<u>Allowance for</u>	<u>Tax</u>
	<u>Tax Roll</u>	<u>Requirements</u>	<u>Collected</u>	<u>Uncollectibles</u>	<u>Receivable</u>
			<u>in December</u>	<u>Taxes</u>	
1998	\$27,737	\$819	\$1,700	\$1,282	\$23,936

An estimated allowance for uncollectible property tax has been set up based on prior years' experience.

LAWTELL GRAVITY DRAINAGE DISTRICT NO. ELEVEN
OF ST. LANDRY PARISH
OPELOUSAS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1998

NOTE 4 - FUND BALANCE

The General Fund does not have a deficit fund balance for the year ended December 31, 1998.

NOTE 5 - LITIGATION

The District was defendant in one lawsuit in which damages were awarded to the Plaintiffs in the amount of \$10,377 plus legal interest on that amount from date of Judicial Demand which was August 5, 1986.

Pursuant to Article XII, Section 10/C of the Louisiana Constitution of 1974, the District is not required to pay the judgment unless funds are appropriated for payment of the judgment. As of December 31, 1998, the District had not appropriated funds for payment of this judgment.

NOTE 6 - PER DIEM

Compensation paid to board members is summarized below:

	<u>1998</u>	
	<u>Per Diem</u>	<u>Travel</u>
Curtis J. Miller	\$720	\$73
Sherman Cravins	780	118
Ralph Sonnier	780	116
Alcee Boudreaux, Jr.	720	72
Lorella L. Marshall	<u>780</u>	<u>58</u>
<u>Total</u>	<u>3,780</u>	<u>437</u>

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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

The Board of Commissioners
 Lawtell Gravity Drainage
 District No. Eleven of St. Landry Parish
 Opelousas, Louisiana

We have audited the general purpose financial statements of Lawtell Gravity Drainage District No. Eleven of St. Landry Parish, as of and for the year ended December 31, 1998, and have issued our report thereon dated June 2, 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 Lawtell Gravity Drainage District No. Eleven of St. Landry Parish'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 an instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings and questioned costs as finding 1998-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Lawtell Gravity Drainage District No. Eleven of St. Landry Parish'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.

The Board of Commissioners Lawtell
Gravity Drainage District No. Eleven
of St. Landry Parish
Page 2

This report is intended solely for the information of management and the appropriate regulatory agency and is not intended to be and should not be used by anyone other than these specified parties.

John S. Dowling & Company

Opelousas, Louisiana
June 2, 1999

LAWTELL GRAVITY DRAINAGE DISTRICT NO. ELEVEN OF
OF ST. LANDRY PARISH
OPELOUSAS, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 1998

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Lawtell Gravity Drainage District No. Eleven of St. Landry Parish.
2. No reportable conditions relating to the audit of the financial statements are reported in the Report on Compliance and on Internal Control Over financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. One instance of noncompliance material to the financial statements of the Lawtell Gravity Drainage District No. Eleven of St. Landry Parish was disclosed during the audit.
4. There was no single audit required under OMB Circular A-133.

B. 1998 FINDING - FINANCIAL STATEMENT AUDIT

Compliance

1998-1 - Budget Not Prepared

Condition: A budget for the General Fund was not prepared for 1998.

Criteria: Louisiana Revised Statute 39:1304 requires each political subdivision to prepare a budget for the General Fund.

Effect: The Lawtell Gravity Drainage District No. Eleven of St. Landry Parish is not in compliance with state law.

Recommendation: A budget should be prepared for the District's General Fund.

Management's Response: The Lawtell Gravity Drainage District No. Eleven of St. Landry Parish was created under Chapter 7, Part 1, Title 38 of the LRS of 1950 (38:1751-1802). The constitutional provision for creating the District under Chapter 7, Part 1, cite Article 14, Section 14(d) as the constitutional provision for creating the District. The 1973 Constitutional Convention provided for the transitional provisions of special districts already in existence to be removed from the Constitution and provided for in Article 14, Section 16. The Lawtell Gravity Drainage District No. Eleven of St. Landry Parish having been created prior to 1974 was continued pursuant to Article 14, Section 16 and not recreated pursuant to Article VI, Section 19. Therefore, Act 504 of 1980 is not applicable and a budget is not required.

LAWTELL GRAVITY DRAINAGE DISTRICT NO. ELEVEN OF
OF ST. LANDRY PARISH
OPELOUSAS, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 1998

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

1997-1 - Budget not prepared.
Unresolved - REPEAT COMMENT

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

N/A

SECTION III - MANAGEMENT LETTER

1997-2 - No fidelity or faithful performance bond coverage.

The Board addressed the issue at a Board meeting on September 17, 1998, and concluded that because no one person handles both the receipts and disbursements of the District and in that a surety bond is discretionary, the Board authorized and directed that no surety bond shall be required.

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Commissioners of the Lawtell
 Gravity Drainage District No. Eleven of
 St. Landry Parish
 Opelousas, Louisiana

We have audited the financial statements of the Lawtell Gravity Drainage District No. Eleven of St. Landry Parish as of and for the year ended December 31, 1998, and have issued our report thereon dated June 2, 1999. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole.

The year 2000 supplementary information on page 14 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the Lawtell Gravity Drainage District No. Eleven of St. Landry Parish is or will become year 2000 compliant, that the Lawtell Gravity Drainage District No. Eleven of St. Landry Parish's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Lawtell Gravity Drainage District No. Eleven of St. Landry Parish does business are or will become year 2000 compliant.

John S. Dowling & Company

Opelousas, Louisiana
 June 2, 1999

LAWTELL GRAVITY DRAINAGE DISTRICT NO. ELEVEN OF
OF ST. LANDRY PARISH
OPELOUSAS, LOUISIANA
YEAR 2000 REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 1998

The Lawtell Gravity Drainage District No. Eleven of St. Landry Parish maintains a manual set of books. The financial institutions in which their funds are deposited have indicated that they are year 2000 compliant.

LAWTELL GRAVITY DRAINAGE DISTRICT NO. 11

Post Office Box 290

Lawtell, LA 70550

June 25, 1999

CORRECTIVE ACTION PLAN

Louisiana Legislative Auditor
Baton Rouge, Louisiana 70804

Lawtell Gravity Drainage District Number Eleven of St. Landry Parish respectfully submits the following corrective action plan for the year ended December 31, 1998.

Name and address of independent public accounting firm: John S. Dowling and Company, Post Office Box 433, Opelousas, Louisiana 70571-0433.

Audit Period: Year ended December 31, 1998

The findings from the 1998 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS-FINANCIAL STATEMENT AUDIT

NONCOMPLIANCE

98-1 Budget Not Prepared

Action taken: A budget will be prepared for 1999 and in future years.

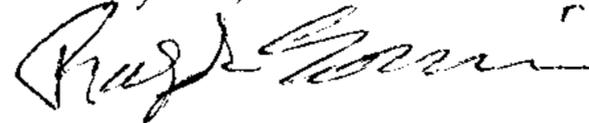
FINDINGS-FEDERAL AWARD PROGRAMS AUDIT

N/A

FINDINGS-MANAGEMENT LETTER

N/A

Sincerely yours,



Ralph Sonnier, President

RS/jmg

xc: John S. Dowling & Company

