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POSITIVE FORCES COUNSELING NETWORK, INC.

MONROE, LOUISIANA

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FINANCIAL STATEMENTS  
AND ADDITIONAL INFORMATION  
FOR THE YEAR ENDED  
JUNE 30, 2002

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Under provisions of state law, this report is a **public** document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, when appropriate, at the office of the parish clerk of court.

Release Date 1/22/03

POSITIVE FORCES COUNSELING NETWORK, INC.  
JUNE 30, 2002

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# JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.

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VIOLET M. ROUSSEL, CPA, APC  
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*Certified Public Accountants*  
3007 Armand Street  
Monroe, Louisiana 71201  
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Facsimile (318) 323-6331

- Accounting & Auditing
  - H.U.D. Audits
  - Non-Profit Organizations
- Business & Financial Planning
- Tax Preparation & Planning
  - Individual & Partnership
  - Corporate & Fiduciary
- Bookkeeping & Payroll Services

December 2, 2002

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Positive Forces Counseling Network, Inc.  
Monroe, Louisiana 71201

We have audited the accompanying statement of financial position of the Positive Forces Counseling Network, Inc. (a nonprofit organization) as of June 30, 2002, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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 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 and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Positive Forces Counseling Network, Inc., as of June 30, 2002, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements of Positive Forces Counseling Network, Inc. taken as a whole. The accompanying financial information listed as supplementary financial information in the table of contents for the year ended June 30, 2002, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the

financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 2, 2002 on our consideration of Positive Forces Counseling Network, Inc.'s internal control structure and its compliance with laws, regulations, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Johnston, Perry, Johnson & Associates, L.L.P.*

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS

# JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.

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  - Corporate & Fiduciary
- Bookkeeping & Payroll Services

December 2, 2002

## 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 Directors  
Positive Forces Counseling Network, Inc.  
Monroe, Louisiana

We have audited the financial statements of Positive Forces Counseling Network, Inc. as of and for the year ended June 30, 2002, and have issued our report thereon dated December 2, 2002. We conducted our audit in accordance with accounting standards generally accepted in the United States of America 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 Positive Forces Counseling Network, Inc.'s 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 non-compliance that are required to be reported under *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Positive Forces Counseling Network, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions.

Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Positive Forces Counseling Network, Inc.'s ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as item 02-1.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

This report is intended for the information of the audit committee and management, and is not intended to be and should not be used by any one other than these specified parties.

*Johnston, Perry, Johnson & Associates, L.L.P.*

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS



POSITIVE FORCES COUNSELING NETWORK, INC.  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2002

ASSETS

Current Assets

Cash	4,731	
Receivables	<u>30,953</u>	

<u>TOTAL CURRENT ASSETS</u>		35,684
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Fixed Assets

Equipment	109,695	
Accumulated Depreciation	<u>( 79,717)</u>	

<u>TOTAL FIXED ASSETS</u>		<u>29,978</u>
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<u>TOTAL ASSETS</u>		<u>65,662</u>
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LIABILITIES

Current Liabilities

Accounts Payable and Accrued Expenses	<u>9,109</u>	
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<u>TOTAL CURRENT LIABILITIES</u>		9,109
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LONG-TERM DEBT

	<u>-0-</u>	
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<u>TOTAL LIABILITIES</u>		9,109
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NET ASSETS

Unrestricted	<u>56,553</u>	
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<u>TOTAL NET ASSETS</u>		<u>56,553</u>
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<u>TOTAL LIABILITIES AND NET ASSETS</u>		<u>65,662</u>
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The accompanying notes are an integral part of these financial statements.

POSITIVE FORCES COUNSELING NETWORK, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2002

	MENTAL HEALTH COUNSELING <u>SERVICES</u>	GENERAL AND <u>ADMINISTRATIVE</u>	<u>TOTAL</u>
Personal Services	150,236	17,000	167,236
Related Benefits	12,789	1,301	14,090
Travel	2,219	622	2,841
Operating Services	40,729	9,473	50,202
Supplies	7,295	-	7,295
Professional Services	<u>3,119</u>	<u>431</u>	<u>3,550</u>
Total Expenditures			
Before Depreciation	216,387	28,827	245,214
Depreciation	<u>13,942</u>	<u>1,992</u>	<u>15,934</u>
 <u>TOTAL EXPENSES</u>	 <u>230,329</u>	 <u>30,819</u>	 <u>261,148</u>

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

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JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS



POSITIVE FORCES COUNSELING NETWORK, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2002

UNRESTRICTED NET ASSETS

Support

Grants and Contracts

251,884

Contributions

550

TOTAL SUPPORT

252,434

EXPENSES

Program Services - Mental Health

230,329

Supporting Services

30,819

TOTAL EXPENSES

261,148

INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS

( 8,714)

NET ASSETS AT BEGINNING OF YEAR

65,267

NET ASSETS AT END OF YEAR

56,553

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

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POSITIVE FORCES COUNSELING NETWORK, INC.  
STATEMENT OF CASH FLOWS  
JUNE 30, 2002

CASH FLOWS FROM OPERATING ACTIVITIES

Increase (Decrease) in Net Assets	(8,714)
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided (Used) by Operating Activities	
Depreciation	15,934
(Increase) Decrease in:	
Operating Assets - Receivables	( 6,408)
Increase (Decrease) in:	
Operating Liabilities - Payables	<u>5,592</u>

NET CASH PROVIDED (USED) BY OPERATING  
ACTIVITIES

6,404

CASH FLOWS FROM INVESTING ACTIVITIES

None	<u>-</u>
------	----------

NET CASH PROVIDED (USED) BY INVESTING  
ACTIVITIES

-0-

CASH FLOWS FROM FINANCING ACTIVITIES

Fixed Assets Purchased	( <u>10,078</u> )
------------------------	-------------------

NET CASH PROVIDED (USED) BY FINANCING  
ACTIVITIES

(10,078)

NET INCREASE (DECREASE) IN CASH

( 3,674)

BEGINNING CASH AND CASH EQUIVALENTS

8,405

ENDING CASH AND CASH EQUIVALENTS

4,731

SUPPLEMENTAL CASH BASIS DATA

Interest Paid	-0-
Income Taxes Paid	-0-

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

POSITIVE FORCES COUNSELING NETWORK, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Statement of Presentation:

The accompanying financial statements conform to accounting principles generally accepted in the United States of America for not-for-profit organizations.

B. Organization:

The Organization provides counseling services to families and individuals who need assistance with mental, emotional, behavioral relationships or spiritual problems in Northeast Louisiana.

C. Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

D. Cash and Cash Equivalents:

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents.

E. Budget Policy:

Budgets for various programs are prepared by the Organization and approved by grantor of the funds for each respective program. No budgets are prepared for the general fund.

F. Contributions:

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily

POSITIVE FORCES COUNSELING NETWORK, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Contributions (Continued)

assets and reported in the statement of activities as net assets released from restrictions.

G. Cash in Bank:

All funds are in institutions insured by an agency of the Federal Government, the Federal Deposit Insurance Corporation.

H. Fixed Assets:

Fixed assets are depreciated over their estimated useful lives using the straight line method. Fixed assets are capitalized for individual cost over \$100.

NOTE 2 - FUNDING POLICIES AND SOURCES OF FUNDS

The Organization receives its monies through various methods of funding. Most of the funds are received from Louisiana Department of Health and Hospitals and Vocational Rehabilitation. The Organization also receives funds as a reimbursement of actual expenditures, and upon a per unit of service provided method. The Organization also receives funds by contributions from both public and private sources. If the Organization loses these funds, it will have an adverse effect on the corporation.

NOTE 3 - ACCOUNTS RECEIVABLE - GRANTS

Accounts Receivable - Grants at June 30, 2002 generally consists of reimbursements from the Department of Health and Hospitals for expenditures incurred under the grant program. The reserve for bad debts is zero.

NOTE 4 - BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

NOTE 5 - IN-KIND CONTRIBUTIONS

The Organization received various in-kind contributions during the year from private and public sources. The value of donated volunteer services is not reflected in the accompanying financial statements since there is no objective basis available by which to measure the value of such services.

POSITIVE FORCES COUNSELING NETWORK, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2002

NOTE 6 - INCOME TAX STATUS

The Organization applied as a nonprofit corporation and is exempt from federal income taxes under Section 501(C)(3) of the Internal Revenue Code.

NOTE 7 - CHANGES IN FIXED ASSETS

A summary of changes in fixed assets recorded at cost follows:

	Balance June 30, 2001	Additions	Retirements	Balance June 30, 2002
Furniture & Equipment	35,925	10,078	-0-	46,003
Transportation Equipment	<u>63,692</u>	<u>-0-</u>	<u>-0-</u>	<u>63,692</u>
<u>TOTALS</u>	<u>99,617</u>	<u>10,078</u>	<u>-0-</u>	<u>109,695</u>

The state of Louisiana maintains a revisionary right against fixed assets in the event the Organization wishes to dispose of assets or ceases operations.

NOTE 8 - CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount which may be disallowed by the grantor cannot be determined at this time although the Organization expects such amounts, if any, to be immaterial.

NOTE 9 - FAIR VALUES OF FINANCIAL INSTRUMENTS

The Organization's financial instruments, none of which are held for trading purposes, include cash and a note payable. The Organization estimates that the fair value of all financial instruments at June 30, 2002 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

NOTE 10 - LEASE

The Organization leases office space for \$800 per month. No long-term lease has been signed.

POSITIVE FORCES COUNSELING NETWORK, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2002

NOTE 11 - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. The Organization has determined that fund raising costs are not material.

NOTE 12 - RETIREMENT PLAN

All employees are covered under the social security program. No other retirement plan is maintained.

NOTE 13 - COMPENSATED ABSENCES

The Organization's policy is to expense compensated absences in the period such leave is used. Amounts of accrued compensation at June 30, 2002 are not material.

NOTE 14 - ADVERTISING

The Organization expenses advertising expense as incurred. Advertising costs during this year are not material.

ADDITIONAL INFORMATION



SCHEDULE IPOSITIVE FORCES COUNSELING NETWORK, INC.  
STATEMENT OF EXPENDITURES - BY CONTRACTS  
JUNE 30, 2002

	CONTRACT <u>567661</u>	CONTRACT <u>567662</u>	CONTRACT <u>567670</u>
Personal Services	63,036	51,153	36,049
Related Benefits	5,191	4,360	3,237
Travel	1,000	407	811
Operating Services	13,497	5,388	21,631
Supplies	1,355	1,474	4,466
Professional Services	1,300	800	1,450
Capital Assets	-	-	10,078
Administration	<u>10,200</u>	<u>7,300</u>	<u>7,450</u>
 <u>TOTAL EXPENDITURES</u>	 <u>95,579</u>	 <u>70,882</u>	 <u>85,172</u>

See Auditors' Report.

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JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS

POSITIVE FORCES COUNSELING NETWORK, INC.  
COMPENSATION TO BOARD MEMBERS  
JUNE 30, 2002

No compensation was paid any board member during the year under audit.

See Auditors' Report.

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CERTIFIED PUBLIC ACCOUNTANTS

POSITIVE FORCES COUNSELING NETWORK, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2002

INTERNAL CONTROL OVER FINANCIAL REPORTING  
FINDING 02-1

Criteria: Controls over cash disbursements should be adequate to ensure only allowable costs are paid.

Condition: We noted that invoices were not approved before payment.

Questioned Costs: None

Effect: There is no material effect on the financial statements, but the finding does have an effect on weakening internal controls.

Cause: The person responsible for approving invoices did not realize that he/she should approve invoices before signing checks.

Recommendation: We recommend that all invoices and documentation be submitted to the board of director(s) who sign checks, and that they review and approve all such documentation before payment. This can be done by the board member(s)' "initialing off" on the supporting documentation.

Response: Management agrees with this finding and will implement the recommendation.

See Auditors' Report.

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POSITIVE FORCES COUNSELING NETWORK, INC.  
FINDINGS, RECOMMENDATIONS, AND CORRECTIVE ACTIONS - PRIOR YEAR  
JUNE 30, 2002

INTERNAL CONTROLS

No findings nor recommendations in prior year.

COMPLIANCE

No findings nor recommendations in prior year.

See Auditors' Report.

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JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS

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

LEGISLATIVE AUDITOR  
BATON ROUGE LA 70804

**DATA COLLECTION FORM**

**FOR REPORTING ON STATE AND LOCAL GOVERNMENT AND QUASI-PUBLIC ENTITIES**

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

Date Submitted 12 / 02 / 02

RETURN to: Legislative Auditor  
Attn: Engagement Processing  
Post Office Box 96397  
Baton Rouge, Louisiana 70804-9397

1. Fiscal Year Ending Date For This Submission:

06 / 30 / 02

3. Audit Period Covered

☒ Annual ☐ Biennial  
☐ Other to

2. Type of Report:

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

**4. AUDITEE INFORMATION**

Auditee Name

POSITIVE FORCES COUNSELING NETWORK, INC.

Street Address (Number and Street)

1205 N 18<sup>TH</sup> STREET

Mailing Address (PO No.)

City State Zip  
MONROE LA 71201

Auditee Contact  
Name

NAOMI WHELAND

Title

EXECUTIVE DIRECTOR

Telephone

318-322-0037

Fax

318-388-2355

Email (Optional)

**5. AUDITOR INFORMATION**

Firm Name

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, LLP

Street Address (Number and Street)

3007 ARMAND STREET

Mailing Address (PO No.)

City State Zip  
MONROE LA 71201

Auditor Contact  
Name

ROWLAND H. PERRY

Title

PARTNER

Telephone

318-322-5155

Fax

318-323-6331

Email (Optional)

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

If there are no modifications to the auditor's financial opinion, no reported deficiencies in internal control, no reported instances of noncompliance, and no management letter, check this box and do not complete the rest of the form. ☐

**6. FINANCIAL STATEMENTS**

a. Type of audit report on financial statements: ☐ Not Applicable

☒ Unqualified Opinion ☐ Qualified Opinion ☐ Adverse Opinion ☐ Disclaimer of Opinion

b. Is a 'going concern' explanatory paragraph included in the audit report? ☐ Yes ☒ No

c. Do any of the funds have deficit balances? ☐ Yes ☒ No

**7. INTERNAL CONTROL**

Do the comments on internal control include: ☐ material weaknesses ☒ other conditions

**8. COMPLIANCE**

Do the comments on compliance include: ☐ criminal acts ☐ fraud and abuse ☒ not applicable

**9. CURRENT YEAR MANAGEMENT LETTER (Finding Caption and No.)**

N/A

Resolved ☐ Yes ☐ No ☐ No Longer Applicable

Resolved ☐ Yes ☐ No ☐ No Longer Applicable

Resolved ☐ Yes ☐ No ☐ No Longer Applicable

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

902-1

\$ NONE

Resolved ☒ Yes ☐ No ☐ No Longer Applicable

Resolved ☐ Yes ☐ No ☐ No Longer Applicable

Resolved ☐ Yes ☐ No ☐ No Longer Applicable

Resolved ☐ Yes ☐ No ☐ No Longer Applicable

Resolved ☐ Yes ☐ No ☐ No Longer Applicable

Resolved ☐ Yes ☐ No ☐ No Longer Applicable

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

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

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

(Finding/Comment Caption and No.)

N/A

Resolved ☐ Yes ☐ No ☐ No Longer Applicable

Resolved ☐ Yes ☐ No ☐ No Longer Applicable

Resolved ☐ Yes ☐ No ☐ No Longer Applicable

Resolved ☐ Yes ☐ No ☐ No Longer Applicable

Resolved ☐ Yes ☐ No ☐ No Longer Applicable

AUDITEE SIGNATURE

*Naomi C. Wheland*

Date 11/11/02