

Hico Water System, Inc.

Annual Financial Statements
As of December 31, 2016 and for the Year Then Ended

Hico Water System, Inc.
Annual Financial Statements
As of and for the Year Ended December 31, 2016
With Supplemental Information Schedules

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WADE & PERRY
Certified Public Accountants
A Professional Accounting Corporation
Members: AICPA/ Society of LCPA's

Independent Accountant's Review Report

Board of Commissioners
Hico Water System, Inc.
Dubach, Louisiana

We have reviewed the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hico Water System, Inc. ("System"), as of and for the year ended December 31, 2016, which collectively comprise the System's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the System. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

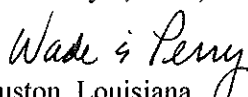
The management of the System is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. The other supplementary schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary information, as listed in the table of contents, have not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but were compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly we do not express an opinion or provide any assurance on it.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report dated May 1, 2017, on the results of our agreed-upon procedures.


Ruston, Louisiana
May 1, 2017

Hico Water System, Inc.
Statement of Net Position, Proprietary Fund
December 31, 2016

ASSETS		
Cash and equivalents		\$128,714
Receivables		23,823
Prepaid items		0
Restricted assets		170,940
Capital assets (net)		<u>1,602,536</u>
TOTAL ASSETS		<u>\$1,926,013</u>
LIABILITIES		
Accounts, salaries, and other payables		(\$7)
Accrued interest payable		1,369
Payable from restricted assets		4,680
Loans payable - current		13,117
Loans payable - noncurrent		<u>660,180</u>
TOTAL LIABILITIES		<u>679,339</u>
NET POSITION		
Prior Period Adjustment		0
Net invested in capital assets		929,239
Restricted for customer deposits		4,680
Restricted for debt		166,260
Unrestricted		<u>146,495</u>
TOTAL NET POSITION		<u>\$1,246,674</u>

The accompanying notes are an integral part of this statement.

Hico Water System, Inc.
Statement of Activities
Year Ended December 31, 2016

	Program Revenues			Net (Expenses) Revenues and Changes of Primary Government
	Expenses	Charges for Services	Operating Grants and Contributions	
Business-type activities				
Water charges	\$221,637	\$231,369		\$9,732
Total business-type activities	<u>221,637</u>	<u>231,369</u>	<u>0</u>	<u>9,732</u>
Total primary government	<u>\$221,637</u>	<u>\$231,369</u>	<u>\$0</u>	<u>\$9,732</u>
General revenues:				
Investment earnings				83
Gain on sale of asset				0
Other general revenues				<u>0</u>
Total general revenues and transfers				<u>83</u>
Change in Net Position				9,815
Net Position - beginning				1,236,859
Prior Period Adjustment				<u>0</u>
Net Position - ending				<u>\$1,246,674</u>

The accompanying notes are an integral part of this statement.

Hico Water System, Inc.
Statement of Cash Flows, Proprietary Funds
For the Year Ended December 31, 2016

Cash Flows from Operating Activities	
Receipts from customers and users	\$231,369
Payments to suppliers	(156,466)
Payments to employees	(15,617)
Net Cash Provided by Operating Activities	<u>59,286</u>
Cash Flows from Noncapital Financing Activities	
Loan proceeds from USDA	<u>0</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>0</u>
Cash Flows from Capital and Related Financing Activities	
Purchases of capital assets	0
Capital contributions	0
Principal paid on capital debt	(114,323)
Interest paid on capital debt	<u>0</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(114,323)</u>
Cash Flows from Investing Activities	
Miscellaneous income	0
Interest and dividends received	<u>83</u>
Net Cash Provided by Investing Activities	<u>83</u>
Net Increase in Cash and equivalents	(54,954)
Cash and equivalents, Beginning of Year	<u>354,608</u>
Cash and equivalents, End of Year	<u><u>\$299,654</u></u>
Reconciliation of Operating Income to Net Cash Provided (used) by Operating Activities	
Operating income	\$9,732
Depreciation expense	51,888
(Increase) decrease in accounts receivable	0
Increase (decrease) in customer deposits	0
Increase (decrease) in accounts, salaries, and other payables	(2,334)
Net Cash Provided by Operating Activities	<u><u>59,286</u></u>
Reconciliation of total cash and cash investments:	
Current assets - cash and cash investments	\$128,714
Restricted assets - cash and cash investments	<u>170,940</u>
Total cash and cash investments	<u><u>\$299,654</u></u>

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

Hico Water System, Inc.
Notes to the Financial Statements
As of and For the Year Ended December 31, 2016

INTRODUCTION

The Hico Water System, Inc. ("System") was organized in 1973 as a not for profit water system to provide water usage and service to the customers of the System in Lincoln parish. The System has five commissioners comprising the board who are appointed by the Board of Commissioners. The System serves approximately 488 active customers and employs one person. The System operates two facilities that operate two wells at each site with approximately 100 miles of water lines.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of Net Position and the statement of changes in Net Position) report information on all of the nonfiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charge to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Hico Water System, Inc.
Notes to the Financial Statements
As of and For the Year Ended December 31, 2016

The System reports the following major proprietary fund:

The Water fund is to account for the provision of water services to the customers of the System. All activities necessary to provide such services are accounted for in this fund, but not limited to, administration, operations, maintenance, financing, and related debt service and billing.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the governments enterprise operations. Elimination of those charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the System's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Deposits and Investments

The System's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the System's investment policy allow the System to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities. Investments for the System are reported at fair value.

D. Restricted Assets

Certain proceeds of the System's revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Position because their use is limited by applicable bond covenants.

Hico Water System, Inc.
Notes to the Financial Statements
As of and For the Year Ended December 31, 2016

E. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available (or describe other method of valuation). Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The System does not maintain a threshold level for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land	N/A
Water lines and wells	50 years
Improvements	15 years
Building	20 years
Equipment	5-10 years

F. Compensated Absences

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

Employees of the System cannot accrue vacation or sick time. Therefore, no liability has been recorded.

G. Fund Equity

In the government wide statements, equity is classified as Net Position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

Proprietary fund equity is classified in the same manner as in the government-wide statements.

Hico Water System, Inc.
Notes to the Financial Statements
As of and For the Year Ended December 31, 2016

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from the estimates.

2. CASH AND CASH EQUIVALENTS

At December 31, 2016, the System has cash and cash equivalents (book balances) totaling \$299,654 as follows:

Demand deposits	\$133,394
Interest-bearing demand deposits	166,260
Investments	<u>0</u>
Total	<u>\$299,654</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 December 31, 2016, the System has \$307,850 in deposits (collected bank balances). These deposits are secured from risk by \$307,850 of federal deposit insurance and \$0 of pledged securities held by the custodial bank in the name of the fiscal agent bank. (GASB Category 3).

3. RECEIVABLES

The receivables of \$23,823 at December 31, 2016, consist solely of amounts due from customers.

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2016, for the primary government is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated				
Land	\$0			\$0
Construction in progress	<u>0</u>			<u>0</u>
Total capital assets not being depreciated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Capital assets being depreciated				
Buildings	0			0
Improvements other than buildings	26,302			26,302

Hico Water System, Inc.
Notes to the Financial Statements
As of and For the Year Ended December 31, 2016

	Beginning Balance	Increases	Decreases	Ending Balance
Machinery and equipment	281,252			281,252
Water system additions	25,500			25,500
Infrastructure	1,558,663			1,558,663
Total capital assets being depreciated	1,891,717	0	0	1,891,717
Accumulated depreciation	237,293	51,888		289,181
Total capital assets being depreciated, net	<u>\$1,654,424</u>	<u>(\$51,888)</u>	<u>\$0</u>	<u>\$1,602,536</u>

5. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of (\$7) at December 31, 2016, are as follows:

Withholdings	(\$7)
Accounts	0
Other	<u>0</u>
Total	<u><u>(\$7)</u></u>

6. LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation loans payable transactions for the year ended December 31, 2016:

Long-term obligations at beginning of year year	\$787,619
Additions	0
Deductions	<u>(114,322)</u>
Long-term obligations at end of year	<u><u>\$673,297</u></u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of December 31, 2016:

Current portion	\$13,117
Long-term portion	<u>660,180</u>
Total	<u><u>\$673,297</u></u>

The loans payable at December 31, 2016, are comprised of the following individual issues:

	Outstanding <u>12/31/16</u>
\$818,000 USDA loans dated 6-4-12, due in monthly installments of \$2,855 through July 4, 2045, interest at 2.75%	<u>\$673,297</u>
Total	<u><u>\$673,297</u></u>

Hico Water System, Inc.
Notes to the Financial Statements
As of and For the Year Ended December 31, 2016

The annual requirements to amortize all loans outstanding as of December 31, 2016, including interest of \$295,739 are as follows:

Year Ending December 31,	
2017	\$34,260
2018	34,260
2019	34,260
2020	34,260
2021	34,260
2022 - 2026	171,300
2027 - 2031	171,300
2032 - 2036	171,300
2037 - 2041	171,300
2042 - 2045	112,535
Total	<u>\$969,035</u>

7. FLOW OF FUNDS: RESTRICTIONS ON USE - UTILITIES REVENUES

There shall also be set aside into a "Reserve Fund" an amount equal to 10% of the monthly payment each month over the life of the loan until there is an amount accumulated equal to one annual installment. This reserve is required to establish an emergency fund for maintenance and repairs and debt repayment should the need arise.

Funds will also be set aside into a "Short-lived Asset Fund" at the rate of \$1,254 per month in addition to that required for the debt service reserve until such time as a minimum balance of \$116,500 is achieved for the replacement of the short lived assets identified.

8. DATE OF MANAGEMENT REVIEW

Subsequent events have been evaluated through May 1, 2017, the date which the financial statements were available to be issued.

OTHER SUPPLEMENTAL SCHEDULES

Hico Water System, Inc.
Schedule of Federal Financial Assistance
For The Year Ended December 31, 2016

<u>GRANTOR/PROGRAM TITLE</u>	<u>Loan Number</u>	<u>Loan Balance</u>
United States Department of Agriculture		
Rural development	91.03	\$673,297

The accompanying notes are an integral part of the schedule.

Hico Water System, Inc.
Schedule of Compensation, Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended December 31, 2016

Schedule 2

Agency Head Name: Russell Colvin (Current), Mike Roberson (Prior)

	<u>Russell Colvin</u>	<u>Mike Roberson</u>
Purpose		
Salary	\$0	\$0
Benefits-insurance	0	0
Benefits-retirement	0	0
Benefits-other	0	0
Car allowance	0	0
Vehicle provided by government	0	0
Per diem	0	0
Reimbursements	0	0
Travel	0	0
Registration fees	0	0
Conference travel	0	0
Continuing professional education fees	0	0
Housing	0	0
Unvouchered expenses	0	0
Special meals	0	0

The accompanying notes are an integral part of the schedule.

REQUIRED SUPPLEMENTAL INFORMATION

WADE & PERRY

Certified Public Accountants
A Professional Accounting Corporation
Members: AICPA/ Society of LCPA's

Independent Accountant's Report
on Applying Agreed-Upon Procedures

Board of Commissioners
Hico Water System, Inc.
Dubach, LA 71235

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Hico Water System, Inc., and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the System's compliance with certain laws and regulations during the year ended December 31, 2016 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2296 (the public bid law) or RS 39:1551-1775 (state procurement code), whichever is applicable.

There were no expenditures made during the year for material and supplies exceeding \$30,000 and there were no expenditures made for public works exceeding \$150,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in agreed-upon procedures (2) that violated any laws.

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management stated they did not adopt a budget.

6. Trace the budget adoption and amendments to the minute book.

Management is not required to adopt a budget.

7. Compare the revenues and expenses of the final budget to actual revenues and expenses to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenses exceed budgeted amounts by 5% or more.

Not applicable.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for all six of the selected disbursements and found that payment was for the proper amount for all six of the selected disbursements.

(b) determine if payments were properly coded to the correct fund and general ledger account; and

Of the six selected disbursement, five of the six payments were properly coded to the correct fund and general ledger accounts.

(c) determine whether payments received approval from proper authorities.

Inspection of supporting documentation indicated approval from the Board for all of the six selected disbursements.

Meetings

9. Examine evidence indication that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

We inquired of management whether agendas for meetings were posted at the meeting place at least 24 hours prior to the meeting. Management provided a copy of one of the December bills showing when and where the annual meeting would be held.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of banks loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips and statements for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advance or gifts.

A reading of the minutes of the system did not indicate approval for payments to employees which would constitute bonuses, advance or gifts. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advance or gifts.

Prior Comments and Recommendations

Our prior year report, dated August 9, 2016, did not include any comments or unresolved matters other than those noted on page 20.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the System and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Wade & Perry
Ruston, Louisiana
May 1, 2017

Hico Water System, Inc.

Management's Corrective Action Plan
For the Year Ended December 31, 2016

- 2016-1. Lack of segregation of duties
The System does not have an adequate segregation of duties regarding its accounting and reporting system to maintain a complete system of internal control.
- Recommendation: We recommend the System implement a system of checks and balances. One employee should not have access to writing checks, posting to general ledger, prepare deposits and reconcile the bank account.
- Corrective Action Plan: Management concurs with this recommendation and will implement procedures immediately to improve internal controls.
- 2016-2. Agreed-upon procedure #8 - Accounting and Reporting - Internal control over disbursements is inadequate. One disbursement for a loan payment was posted to the loan account in full rather than part of the payment being for interest expense.
- Recommendation: The System should adhere to the amortization schedule and post the principal and interest payments as noted.
- Corrective Action Plan: Management concurs with this recommendation and will implement procedures immediately to improve internal controls.

Hico Water System, Inc.
Summary of Prior Year Findings
For the Year Ended December 31, 2016

A. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

2015-1. Significant deficiency in internal control over segregation of duties.

Status: Unresolved - see 2016-1

2015-2. Significant deficiency in internal control - disbursements

Status: Unresolved - see 2016-2

2015-3. Agreed upon procedure #9 - minutes not provided

Status: Resolved

2015-4. Several payroll reports not prepared and filed

Status: Resolved

B. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

None

C. MANAGEMENT LETTER

None

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Agencies)

5/1/17 (Date Transmitted)

Wade & Perry, CPAs
116 N. Pinecrest Dr
Ruston LA 71270

(Auditors)

In connection with your review of our financial statements as of
12/31/16 and for the period then ended, and as required by Louisiana
Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following
representations to you. We accept full responsibility for our compliance with the following laws and
regulation and the internal controls over compliance with such laws and regulations. We have evaluated
our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/
representation) 5/1/17

Federal, State, and Local Awards

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by
grant and grant year.

Yes [] No []

All transactions relating to federal, state, and local grants have been properly recorded within our
accounting records and reported to the appropriate state, federal, and grantor officials.

Yes [] No []

The reports filed with federal, state, and local agencies are properly supported by books of original entry
and supporting documentation.

Yes [] No []

We have complied with all applicable specific requirements of all federal, state, and local programs we
administer, to include matters contained in the OMB Compliance Supplement, matters contained in the
grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget
requirements.

Yes [] No []

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S.
42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-
0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative
Auditor's website at <http://app1.la.state.la.us/lala.nsf>, to determine whether a non-profit agency is
subject to the open meetings law.**

Yes [] No []

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a
comprehensive budget for those grants that included the purpose and duration, and for state grants
included specific goals and objectives and measures of performance

Yes [] No []

Reporting

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [] No []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

<u>Vicky Bey</u>	Secretary	<u>5-1-17</u>	Date
<u>Vicky Bey</u>	Treasurer	<u>5-1-17</u>	Date
_____	President	_____	Date