

Hico Water System, Inc.

Annual Financial Report
December 31, 2018

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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 business-type activities of the Hico Water System, Inc. ("System"), as of and for the year ended December 31, 2018, and the related notes to the financial statements, 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 management. 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA, and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

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 accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Reporting Requirements

In accordance with the *Louisiana Governmental Audit Guide*, and the provisions of state law, we have issued a report dated April 30, 2019, on the results of our agreed-upon procedures on pages 13 through 16. In addition, page 20 presents the Louisiana Attestation Questionnaire.

Wade & Perry

Ruston, Louisiana
April 30, 2019

Hico Water System, Inc.
Statement of Financial Position
December 31, 2018

ASSETS		
Cash and equivalents		\$261,302
Receivables		25,746
Prepaid items		0
Restricted assets		156,110
Property, building, & equipment (net)		<u>1,510,977</u>
TOTAL ASSETS		<u><u>\$1,954,135</u></u>
LIABILITIES		
Accounts, salaries, and other payables		\$3,417
Accrued interest payable		1,304
Payable from restricted assets		5,350
Loans payable - current		16,845
Loans payable - noncurrent		<u>624,118</u>
TOTAL LIABILITIES		<u>651,034</u>
NET ASSETS		
Net assets without donor restrictions		<u>1,303,101</u>
TOTAL LIABILITIES AND NET ASSETS		<u><u>\$1,954,135</u></u>

See accompanying notes and independent accountants' review report.

Hico Water System, Inc.
Statement of Activities
Year Ended December 31, 2018

Changes in net assets without donor restrictions:

Revenues and gains:

Charges for services	\$234,624
Interest income	83
Total revenues and gains	<u>234,707</u>

Expenses and losses:

Accounting	7,008
Insurance	8,383
Contractual services	55,154
Office & other expenses	5,261
Repairs & maintenance	4,972
Chemicals	7,290
Taxes & licenses	5,722
Salaries & wages	15,600
Miscellaneous expenses	14,495
Utilities	26,665
Interest expense	17,838
Depreciation	48,840
Total operating expenses	<u>217,228</u>

Change in net assets without donor restrictions

Change in net assets without donor restrictions	17,479
Net Assets - beginning of year	1,285,622
Prior period adjustment	0
Net Assets - ending of year	<u><u>\$1,303,101</u></u>

See accompanying notes and independent accountants' review report.

Hico Water System, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2018

Cash Flows from Operating Activities	
Change in net assets	\$17,479
Depreciation expense	48,840
(Increase) decrease in accounts receivable	3,160
Increase (decrease) in customer deposits	410
Increase (decrease) in accounts payable	923
Increase (decrease) in accrued liabilities	<u>(33)</u>
Net Cash Provided by Operating Activities	<u>70,779</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 property & equipment	(825)
Capital contributions	0
Principal paid on capital debt	(16,389)
Interest paid on capital debt	<u>0</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(17,214)</u>
Cash Flows from Investing Activities	
Other investing activities	<u>0</u>
Net Cash Provided by Investing Activities	<u>0</u>
Net Increase in Cash and equivalents	53,565
Cash and equivalents, Beginning of Year	<u>363,847</u>
Cash and equivalents, End of Year	<u>\$417,412</u>
Reconciliation of total cash and cash investments:	
Current assets - cash and cash investments	\$261,302
Restricted assets - cash and cash investments	<u>156,110</u>
Total cash and cash investments	<u>\$417,412</u>

See accompanying notes and independent accountants' review report.

Notes to the Financial Statements

Hico Water System, Inc.
Notes to the Financial Statements
As of and For the Year Ended December 31, 2018

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. Method of Accounting

The accompanying financial statements of the System have been prepared in conformity with generally accepted accounting principles (GAAP) utilizing the accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Expenses are generally recognized when the related liability is incurred. Purchases of various operating supplies are regarded as expenses at the time purchased.

B. Financial Statement Presentation

The System has adopted FASB Accounting Standards Update (ASU) No. 2016-14 *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Under FASB ASU 2016-14, the System is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions - based on the existence or absence of donor-imposed restrictions. It also requires all nonprofit organizations to provide information about expenses by both their natural classification and functional classification. In addition, the System is required to present a statement of cash flows.

C. Cash and Equivalents

Cash and cash equivalents include amounts in time deposits and those investments with original maturities of 180 days or less. For purposes of the statement of cash flows, cash includes amounts in demand deposits, interest-bearing deposits, and money market accounts.

D. Receivables

Accounts receivable consists of amounts due from members for water service provided prior to year end. All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible. As of December 31, 2018, all receivables were expected to be collected; therefore, there was no allowance for doubtful accounts.

E. Property and equipment

Expenditures for routine maintenance, repairs and other renewals of items are charged to expense as incurred. Expenditures for property and equipment and for renewals and betterments, which extend the originally estimated economic life of the assets, are capitalized and carried at historical costs. The System does not maintain a threshold level for capitalizing property and equipment. Depreciation is computed using the straight-line method over the

Hico Water System, Inc.
Notes to the Financial Statements
As of and For the Year Ended December 31, 2018

estimated useful lives of the assets, which is 5 to 10 years for furniture, fixtures, machinery & equipment, 50 years for the water system, and 10 to 20 years for buildings and improvements.

F. Compensated Absences

The System has no policy relating to vacation and sick leave; therefore, no liability has been recorded.

G. 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, 2018, the System has cash and cash equivalents (book balances) totaling \$417,412 as follows:

Demand deposits	\$250,985
Interest-bearing demand deposits	166,427
Investments	<u>0</u>
Total	<u>\$417,412</u>

Custodial credit risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the System will not be able to recover its deposits. 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, 2018, the System has \$419,058 in deposits (collected bank balances). These deposits are secured from risk by \$419,058 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 \$25,746 at December 31, 2018, consist solely of amounts due from customers.

4. SPECIFIED PURPOSE

Certain resources of the System are classified as restricted assets on the statement of financial position because they represent specified purposes by the board. At December 31, 2018, the System had the following specified purpose assets:

Hico Water System, Inc.
Notes to the Financial Statements
As of and For the Year Ended December 31, 2018

Cash - customer deposits	\$5,350
Cash - Reserve Fund	41,667
Cash - Short-lived asset Fund	<u>124,760</u>
Total	<u><u>\$171,777</u></u>

5. PROPERTY & EQUIPMENT

Capital assets and depreciation activity as of and for the year ended December 31, 2018, 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	31,517			31,517
Machinery and equipment	281,252	\$825		282,077
Water system additions	25,500			25,500
Infrastructure	<u>1,558,663</u>			<u>1,558,663</u>
Total capital assets being depreciated	<u>1,896,932</u>	<u>825</u>	<u>0</u>	<u>1,897,757</u>
Accumulated depreciation	<u>337,940</u>	<u>48,840</u>		<u>386,780</u>
Total capital assets being depreciated, net	<u><u>\$1,558,992</u></u>	<u><u>(\$48,015)</u></u>	<u><u>\$0</u></u>	<u><u>\$1,510,977</u></u>

Depreciation expense for the year ended December 31, 2018 was \$48,840.

6. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$3,417 at December 31, 2018, are as follows:

Withholdings	\$0
Accounts	3,417
Other	<u>0</u>
Total	<u><u>\$3,417</u></u>

7. LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation loans payable transactions for the year ended December 31, 2018:

Hico Water System, Inc.
Notes to the Financial Statements
As of and For the Year Ended December 31, 2018

Long-term obligations at beginning of year year	\$657,352
Additions	0
Deductions	<u>(16,389)</u>
Long-term obligations at end of year	<u><u>\$640,963</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, 2018:

Current portion	\$16,845
Long-term portion	<u>624,118</u>
Total	<u><u>\$640,963</u></u>

The loans payable at December 31, 2018, are comprised of the following individual issues:

	<u>Outstanding</u> <u>12/31/18</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>\$640,963</u>
Total	<u><u>\$640,963</u></u>

The annual requirements to amortize all loans outstanding as of December 31, 2018, including interest of \$260,188 are as follows:

Year Ending December 31,	
2019	\$34,260
2020	34,260
2021	34,260
2022	34,260
2023	34,260
2024 - 2028	171,300
2029 - 2033	171,300
2034 - 2038	171,300
2039 - 2043	171,300
2044 - 2045	<u>44,651</u>
Total	<u><u>\$901,151</u></u>

8. 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.

Hico Water System, Inc.
Notes to the Financial Statements
As of and For the Year Ended December 31, 2018

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.

9. INCOME TAXES

The System is exempt from federal income taxes. Therefore, no provision for federal income taxes has been made in the accompanying financial statements.

10. LITIGATION AND CLAIMS

Management of the System is not aware of any litigation or claims against it at December 31, 2018.

11. METHODS USED FOR ALLOCATION OF EXPENSES FROM MANAGEMENT & GENERAL ACTIVITIES

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the System. Therefore, these expenses require allocation on a reasonable basis that is consistently applied.

	<u>Program</u>	<u>Management & General</u>	<u>Total</u>
Accounting		\$7,008	\$7,008
Insurance	\$8,383		8,383
Contractual services	55,154		55,154
Office & other expenses		5,261	5,261
Repairs & maintenance	4,972		4,972
Chemicals	7,290		7,290
Taxes & licenses		5,722	5,722
Salaries & wages		15,600	15,600
Miscellaneous expenses		14,495	14,495
Utilities	26,665		26,665
Interest expense	17,838		17,838
Depreciation	48,840		48,840
Total	<u>\$169,142</u>	<u>\$48,086</u>	<u>\$217,228</u>

12. DATE OF MANAGEMENT REVIEW

Subsequent events have been evaluated through April 30, 2019, the date which the financial statements were available to be issued.

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

We have performed the procedures enumerated below, which were agreed to by Hico Water System, Inc., and the Louisiana Legislative Auditor (the specified parties), on the System's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2018, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The System's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000, and public works exceeding \$154,450. Compare the documentation for these expenditures to LRS 38:2211-2296 (the public bid law) or RS 39:1551-1775 (state procurement code), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

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 \$154,450.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by LRS 42:1101-1124 (the ethics law).

Management provided us with the required list.

3. Obtain a list of all employees paid during the fiscal year.

Management provided us with the required list.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

None of the employees' names appear on both lists.

5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

Management provided the requested information. No exceptions noted.

Budgeting

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

There was no budget adopted.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

There was no budget adopted.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenses. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceed budgeted amounts by 5% or more.

There was no budget adopted.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select 6 disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

- (a) Report whether the six disbursements agree to the amount and payee in the supporting documentation;

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

- (b) Report whether the six disbursements were coded to the correct fund and general ledger account

Four of the six payments were properly coded to the correct fund and general ledger accounts.

- (c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

Inspection of the images of the cancelled checks indicated approval from Secretary/treasurer and additional board member for four of the six invoices paid. We considered the signature of the Secretary/treasurer and additional board member on the cancelled check as approval of disbursements paid.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by LRS 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

The System has asserted that it has complied with the open meetings law.

Debt

11. Obtain bank deposits slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits appear to be proceeds of banks loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

We inspected copies of all bank 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

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advance or gifts.

Payroll records and a reading of the minutes of the System did not indicate approval for payments to employees which would constitute bonuses, advance or gifts.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with RS 24:513.

The agency's report was submitted to the Legislative Auditor before the statutory due date of June 30, 2018.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in RS 39:72.1 A (2); and that were subject to the public bid law (RS 38:2211, et seq.), while the agency was not in compliance with RS 24:513 (the audit law).

The System's management represented that the System did not enter into any contracts during the fiscal year that were subject to the bid law.

Prior Comments and Recommendations

15. Obtain and report management's representation as to whether any prior-year suggestions, exceptions, recommendations, and/or comments have been resolved.

Our prior year report, dated May 29, 2018, did not include any suggestions, exceptions, recommendations, or comments except as noted in the summary of prior year findings.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the AICPA, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on management's compliance with the foregoing matters. 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.

The purpose of this report is solely to describe the scope of testing performed on the System's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by LRS 24:513 and the Louisiana Governmental Audit Guide, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Wade & Perry
Ruston, Louisiana
April 30, 2019

Hico Water System, Inc.
Summary of Prior Year Findings
For the Year Ended December 31, 2018

2017-1. Significant deficiency in internal control over segregation of duties.

Status: Unresolved

Hico Water System, Inc.
Management Letter
For the Year Ended December 31, 2018

We have performed our review of the Hico Water System, Inc. and have applied certain agreed-upon procedures. As part of those procedures, we have the following information to report.

Two disbursements did not have supporting documentation.

Hico Water System, Inc.
Management's Response
For the Year Ended December 31, 2018

The following is our response to the management letter issued to us by the firm Wade & Perry, CPAs for the year ended December 31, 2018:

We will request and maintain original invoices from all vendors effective immediately.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

Feb 26, 2019 (Date Transmitted)

Wade & Perry, CPAs (CPA Firm Name)
116 North Pinecrest Dr (CPA Firm Address)
Ruston LA 71270 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2018 (date) and for the year 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.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes [] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes [] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [] No []

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [] No []

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [] No []

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes [] No []

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 []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.
Yes [] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [] No []

Prior-Year Comments

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

Yes [] No []

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [] No []

We have evaluated our compliance with these laws and regulations prior to making these representations.

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.

Yes [] No []

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes [] No []

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants 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 your report.

Yes [] No []

We will 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.

Yes [] No []

The previous responses have been made to the best of our belief and knowledge.

<u>Wickie King</u>	Secretary	<u>4/3/19</u>	Date
<u>Wickie King</u>	Treasurer	<u>4/3/19</u>	Date
<u>Bill Cole</u>	President	<u>2/26/19</u>	Date