

# Hodge Utility Operating Company

Hodge, Louisiana

Annual Financial Statements  
with Independent Auditor's Report

As of and For the Year Ended  
December 31, 2021  
with Supplemental Information Schedules

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**Independent Auditor's Report**

Hodge Utility Operating Company  
Hodge, Louisiana

**Opinions**

We have audited the accompanying accrual basis financial statements of the enterprise fund of the Hodge Utility Operating Company, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Hodge Utility Operating Company's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the enterprise fund of the Hodge Utility Operating Company, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Hodge Utility Operating Company, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Responsibility of Management 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 and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hodge Utility Operating Company's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hodge Utility Operating Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hodge Utility Operating Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hodge Utility Operating Company's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head and the Schedule of Compensation Paid Councilpersons are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Compensation, Benefits, and Other Payments to Agency Head and the Schedule of Compensation Paid Councilpersons are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to Agency Head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated June 8, 2022 on our consideration of the Hodge Utility Operating Company's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Hodge Utility Operating Company's internal control over financial reporting and compliance.

*Kenneth D. Falden & Co., CPAs, LLC*

Jonesboro, Louisiana  
June 8, 2022

# **BASIC FINANCIAL STATEMENTS**

Hodge Utility Operating Company  
Hodge, Louisiana

Statement of Net Position - Proprietary Fund  
As of December 31, 2021

	Combined Utility System	Hodge Utility Operating Company	Total (Memorandum Only)	
			2021	2020
<b>Assets</b>				
Current Assets:				
Cash and equivalents	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	4,089,734	4,089,734	3,549,861
<b>Total Current Assets</b>	<b>-</b>	<b>4,089,734</b>	<b>4,089,734</b>	<b>3,549,861</b>
Restricted Assets:				
Cash and equivalents	62,343	-	62,343	70,937
Receivables - Hodge Customers	19,744	-	19,744	19,279
<b>Total Restricted Assets</b>	<b>82,087</b>	<b>-</b>	<b>82,087</b>	<b>90,216</b>
Noncurrent Assets:				
Capital assets (net of accumulated depreciation)	184,553,944	-	184,553,944	185,613,265
<b>Total Noncurrent Assets</b>	<b>184,553,944</b>	<b>-</b>	<b>184,553,944</b>	<b>185,613,265</b>
<b>Total Assets</b>	<b>184,636,031</b>	<b>4,089,734</b>	<b>188,725,765</b>	<b>189,253,342</b>
<b>Liabilities</b>				
Current Liabilities:				
Accounts payable	-	4,089,734	4,089,734	3,549,861
Current liabilities payable from restricted assets:				
Due to other funds	4,089,734	-	4,089,734	3,549,861
<b>Total Current Liabilities</b>	<b>4,089,734</b>	<b>4,089,734</b>	<b>8,179,468</b>	<b>7,099,722</b>
<b>Total Liabilities</b>	<b>4,089,734</b>	<b>4,089,734</b>	<b>8,179,468</b>	<b>7,099,722</b>
<b>Net Position</b>				
Net investment in capital assets	121,133,991	-	121,133,991	121,133,991
Unrestricted	59,412,306	-	59,412,306	61,019,628
<b>Total Net Position</b>	<b>\$ 180,546,297</b>	<b>\$ -</b>	<b>\$ 180,546,297</b>	<b>\$ 182,153,619</b>

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

Hodge Utility Operating Company  
Hodge, Louisiana

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund  
For the Year Ended December 31, 2021

	Combined Utility System	Hodge Utility Operating Company	Total (Memorandum Only)	
			2021	2020
<b>Operating Revenues</b>				
West Rock	\$ 38,187,426	\$ -	\$ 38,187,426	\$ 21,843,292
Hodge Residents Revenues	288,320	-	288,320	231,207
Hodge Water and Sewer Revenues	2,550	-	2,550	2,550
Operating Fees	-	40,085,618	40,085,618	22,488,111
Total operating revenues	38,478,296	40,085,618	78,563,914	44,565,160
<b>Operating Expenses</b>				
Operating Fees	40,085,618	2,337	40,087,955	22,488,111
Fuel Gas	-	27,334,228	27,334,228	16,726,392
Purchased Electricity and Demand	-	12,652,391	12,652,391	5,510,894
Purchased Outside Services	-	95,487	95,487	249,325
Miscellaneous	-	1,175	1,175	1,500
Total operating expenses	40,085,618	40,085,618	80,171,236	44,976,222
<b>Operating Income (Loss)</b>	(1,607,322)	-	(1,607,322)	(411,062)
<b>Non-operating Revenues (Expenses)</b>				
Interest earnings	-	-	-	-
<b>Change in net position</b>	(1,607,322)	-	(1,607,322)	(411,062)
<b>Total Net Position - beginning</b>	182,153,619	-	182,153,619	182,564,681
<b>Total Net Position - ending</b>	\$ 180,546,297	\$ -	\$ 180,546,297	\$ 182,153,619

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



Hodge Utility Operating Company  
Hodge, Louisiana

Statement of Cash Flows - Proprietary Fund  
For the Year Ended December 31, 2021

	Combined Utility System	Hodge Utility Operating Company	Total (Memorandum Only)	
			2021	2020
<b>Cash flows from operating activities</b>				
Net income (loss)	\$ (1,607,323)	\$ -	\$ (1,607,323)	\$ (411,062)
Adjustments				
Net changes in assets and liabilities				
Receivables - Hodge Customers	(465)	-	(465)	(2,839)
Due from Village of Hodge Combined Utility System	-	(539,872)	(539,872)	(280,979)
Accounts payable	-	539,872	539,872	280,979
Due to Operating Company	539,872	-	539,872	280,979
Net cash provided for (used for) operating activities	<u>(1,067,916)</u>	<u>-</u>	<u>(1,067,916)</u>	<u>(132,922)</u>
<b>Cash flows from non-capital financing</b>				
Net cash provided by (used for) non-capital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash flows from capital and related financing activities</b>				
Acquisition of capital assets	(2,403,479)	-	(2,403,479)	(2,403,479)
Disposition of capital assets	3,462,800	-	3,462,800	3,462,800
Net cash provided by (used for) capital and related financing activities	<u>1,059,321</u>	<u>-</u>	<u>1,059,321</u>	<u>1,059,321</u>
<b>Cash flows from investing activities</b>				
Net cash provided by (used for) investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(8,595)</u>	<u>-</u>	<u>(8,595)</u>	<u>926,399</u>
<b>Cash and cash equivalents - December 31, 2020</b>	<u>70,937</u>	<u>-</u>	<u>70,937</u>	<u>203,859</u>
<b>Cash and cash equivalents - December 31, 2021</b>	<u>\$ 62,342</u>	<u>\$ -</u>	<u>\$ 62,342</u>	<u>\$ 1,130,258</u>

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

**NOTES TO THE  
FINANCIAL STATEMENTS**

Hodge Utility Operating Company  
Hodge, Louisiana

Notes to the Financial Statements  
As of and for the year ended December 31, 2021

**ORGANIZATIONAL AND HISTORICAL BACKGROUND**

The qualified electors of the Village of Hodge, Louisiana, and resident property taxpayers of said Village approved the issuance of \$65,000,000 in Combined Utility System Revenue Bonds under indenture of mortgage, dated March 1, 1972.

The Village entered into an Acquisition and Construction Agreement on March 1, 1972 with Continental Group, Inc., whereby the Village acquired the existing combined water, sewerage and electric generating facilities, and agreed to purchase improvements made to the existing system by Continental Group, Inc. and to acquire or construct electric distribution facilities within the Village. The system, acquired and completed, is known as the "Combined Utility System." The Village entered into an agreement with the Hodge Utility Operating Company on March 1, 1972 whereby the Operating Company was to operate and manage the system upon terms and conditions as set forth in the contract.

Effective October 8, 1983, Continental Group, Inc. transferred to its successor, Stone Container Corporation, Chicago, Illinois, all of its obligations under the acquisition and construction agreement, utility contract, indenture of mortgage and operating agreement, each dated March 1, 1972.

On January 24, 1990, the Village issued \$93,000,000 of its Combined Utility System Revenue Bonds, Series 1990, under a bond indenture dated January 1, 1990, authorized by a resolution duly passed and approved by the Mayor and Board of Aldermen of the Village. The bonds were issued for the principle purpose of financing the replacement of a recovery boiler and associated equipment. The bonds were secured by a security interest in revenues derived by the Village from operation of the Combined Utility System (subject to the pledge of the first lien on revenues created by the Indenture of Mortgage securing the series 1972 bonds) and other funds.

On May 10, 1998, Jefferson Smurfit Corporation, a Delaware Corporation, now known as Smurfit-Stone Container Corporation entered into an Agreement and Plan of Merger with JSC Acquisition Corporation, a wholly owned subsidiary of the Company, and Stone Container Corporation. Pursuant to the terms of the Merger Agreement, JSC Acquisition was merged with and into Stone on November 18, 1998. On November 1, 2004, Jefferson Smurfit Corporation, a Delaware Corporation, entered into a merger agreement with Stone Container Corporation, under the name of Smurfit Stone Container Enterprises, Inc., a corporation organized and existing under the laws of the State of Delaware.

On December 18, 2003, the Village of Hodge issued \$58,085,000 of the Village of Hodge Refunding Bonds Series 2003. The bonds were issued to refund the Series 1972 and 1990 bonds and to finance needed capital improvements.

After the 2009 Chapter 11 bankruptcy of Smurfit Stone Container Enterprises, and the subsequent default of the Hodge Utility Operating Company on interest payments for the 2003 Bonds, a Settlement Agreement was reached between the Village of Hodge, the Hodge Utility Operating Company, and the Bond Trustee and/or 2003 Bondholders. This agreement satisfied all obligations to the 2003 Bondholders and effectively removed the \$58,085,000 liability from the Village of Hodge, the Hodge Utility Operating Company and SSCE. The Village of Hodge and the Hodge Utility Operating Company entered into an amended and restated operating agreement that became effective June 30, 2010.

On May 27, 2011, at a Smurfit Stone Container Enterprises stockholder meeting, stockholders voted to approve a merger with Rock-Tenn Company, a Georgia corporation. Rock-Tenn agreed to purchase all outstanding SSCE's common stock. Under the amended and restated operating agreement, Rock-Tenn became the successor of SSCE and continued to operate per the June 30, 2010 operating agreement.

Hodge Utility Operating Company  
Hodge, Louisiana

Notes to the Financial Statements  
As of and for the year ended December 31, 2021

On July 1, 2015, Rock-Tenn completed a merger with MeadWestvaco, forming the company, WestRock. WestRock continues to operate under the amended and restated operating agreement that was put into effect on June 30, 2010.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting practices of the Combined Utility System, Village of Hodge, and the Hodge Utility Operating Company conformed to the requirements of the amended and restated operating agreement dated June 30, 2010, which do not necessarily conform to generally accepted accounting principles applied to governmental accounting.

**A. Basis of Presentation**

The Combined Utility System of the Village of Hodge and the Hodge Utility Operating Company is accounted for using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when they are incurred. Receivables billed and not paid and accounts payable (expenses incurred) are recorded monthly. Operating revenues are those revenues generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

**B. Reporting Entity**

This report includes two proprietary funds, the Combined Utility System, Village of Hodge, and the Hodge Utility Operating Company. The Combined Utility System is controlled by the Village executive and legislative branches (the Mayor and Board of Aldermen), whereas the Hodge Utility Operating Company is controlled by the Hodge Utility Operating Company Board of Directors. However, since the Hodge Utility Operating Company operates and manages the System upon the terms and conditions of the operating agreement, the Village of Hodge does not exercise significant oversight responsibility over the System. The specific elements of oversight responsibility considered in the decision to exclude the Combined Utility System were financial interdependency, the ability to significantly influence operations, and accountability for fiscal matters. Therefore, this report is not included as a component unit of the Village of Hodge, and there are no excluded component units in this report.

**C. Cash and Cash Equivalents**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Hodge Utility Operating Company may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Hodge Utility Operating Company  
Hodge, Louisiana

Notes to the Financial Statements  
As of and for the year ended December 31, 2021

**D. Fixed Assets and Long-Term Liabilities**

The Utility System is accounted for on the economic resources measurement focus. This means that all assets and liabilities (whether current or noncurrent) associated with their activity are included on their balance sheet. The reported fund equity (net total position) is segregated into contributed capital and net position components.

Depreciation on all exhaustible fixed assets used by the proprietary fund should be charged as an expense against their operations in accordance with generally accepted accounting principles. Accumulated depreciation should also be reported on the proprietary fund Statement of Net Position.

Total cost of the Combined Utility System of the Village of Hodge is underwritten by WestRock; therefore, depreciation, an operating cost not requiring cash outlay, is not reported on the financial statements of the Combined Utility System of the Village of Hodge.

**E. Total Columns**

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

**2. Cash, Cash Equivalents, and Investments**

At December 31, 2021, the Hodge Utility Operating Company had cash and cash equivalents (book balances) totaling \$62,343, all of which was in demand deposits. 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.

At December 31, 2021, the Hodge Utility Operating Company had \$112,343 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 federal deposit insurance.

Even though pledged securities are considered uncollateralized under the provisions of GASB Statement No. 40, Louisiana Revised Statute 30:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand. Louisiana R.S. 39:1224 requires bonds, or other such instruments furnished as security, to be deposited with the depositing authority or with an unaffiliated bank or trust company, Federal Reserve Bank, or any Federal Home Loan Bank or its successor. This security is deemed to be under the control and in the possession of the public entity and deemed to be held in its name. The Hodge Utility Operating Company was not required to have pledged securities because the cash balance of all accounts was below the federal depository insurance coverage.

Cash and investments are categorized to give an indication of the level of risk assumed by the Combined Utility System at December 31, 2021. Deposits are considered to be exposed to custodial credit risk if they are not covered by depository insurance and the deposits are (a) uncollateralized, (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the the pledging financial institution's trust department or agent but not in the depositor-government's name. The Hodge Utility Operating Company has cash and cash equivalents that are covered by \$250,000 of federal depository insurance. The HUOC did not have a custodial credit risk policy.

At December 31, 2021, the Hodge Utility Operating Company had no investments.

Hodge Utility Operating Company  
Hodge, Louisiana

Notes to the Financial Statements  
As of and for the year ended December 31, 2021

**3. Receivables**

The receivables of \$19,744 at December 31, 2021 were for charges for services.

**4. Changes in Plant, Property, and Equipment**

A summary of changes in plant, property, and equipment for the year ended December 31, 2021, is as follows:

	Balance, January 01, 2021	Additions	Deletions	Balance, December 31, 2021
Plant, Property, and Equipment	\$ 185,613,265	\$ 2,403,479	\$ 3,462,800	\$ 184,553,944

**5. Interfund Receivables and Payables**

Interfund receivables and payables at December 31, 2021, are as follows:

	Receivable	Payable
Village of Hodge Combined Utility Company	\$ -	\$ 4,089,734
Hodge Utility Operating Company	4,089,734	-
Total	\$ 4,089,734	\$ 4,089,734

**6. Employees' Retirement**

Neither the Combined Utility System nor Hodge Utility Operating Company has employees receiving pay directly. No retirement system exists. All employees and related retirement are carried by West Rock.

**7. Related Party Transactions**

Serving on the Board of Directors of the Hodge Utility Operating Company ("Operating Company"), are the Mayor and Mayor pro-tem of the Village of Hodge, Louisiana. The Village of Hodge is considered to be a related party. During the year ended December 31, 2021, revenues received by the Operating Company from the Village of Hodge for water and sewer usage were \$2,550. Expenses paid to the Village of Hodge were \$177,782.

**9. Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 8, 2022, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.





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**Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements  
Performed in Accordance With Government Auditing Standards**

Hodge Utility Operating Company  
Hodge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the enterprise fund of the Hodge Utility Operating Company, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Hodge Utility Operating Company's basic financial statements and have issued our report thereon dated June 8, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Hodge Utility Operating Company's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Hodge Utility Operating Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Hodge Utility Operating Company's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Hodge Utility Operating Company's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 noncompliance or other matters that are required to be reported under Government Auditing Standards.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Hodge Utility Operating Company's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Kenneth D. Folden & Co., CPAs, LLC*

Jonesboro, Louisiana  
June 8, 2022



# **SUPPLEMENTAL INFORMATION**

Hodge Utility Operating Company  
Hodge, Louisiana

Schedule of Findings and Questioned Costs  
For the year ended December 31, 2021

We have audited the basic financial statements of the Hodge Utility Operating Company as of and for the year ended December 31, 2021 and have issued our report thereon dated June 8, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2021 resulted in an unqualified opinion.

A. Summary of Auditor's Report

Report on Internal Control and Compliance Material to Financial Statements

Internal Control

Material Weakness       Yes     No      Significant Deficiencies       Yes     No

Compliance

Compliance Material to Financial Statements       Yes     No

B. Findings - Financial Statements Audit

Current Year

**No current year findings.**

Prior Year

**No prior year findings.**

Hodge Utility Operating Company  
Hodge, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head  
For the year ended December 31, 2021

The Hodge Utility Operating Company does not provide compensation, reimbursements, or benefits to the Agency Head.



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**Independent Accountant's Report on Applying Agreed-Upon Procedures**

To the Board of Directors of Hodge Utility Operating Company  
Hodge, Louisiana  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Hodge Utility Operating Company and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 01, 2021 through December 31, 2021. The HUOC's management is responsible for those C/C areas identified in the SAUPs.

Hodge Utility Operating Company has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 01, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

**Written Policies and Procedures**

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
  - a. Budgeting, including preparing, adopting, monitoring, and amending the budget,
  - b. Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c. Disbursements, including processing, reviewing, and approving,
  - d. Receipts, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.

- e. Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked,
- f. Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process,
- g. Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage,
- h. Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers,
- i. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy, and
- j. Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k. Information Technology Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l. Sexual Harassment, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Exception: The HUOC has written policies on all above topics.

*Management's Response: None.*

## **Board**

2. Obtain and review the board/committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Notes: According to the Operating Agreement, the Board meets annually. In lieu of meeting, the Board can adopt any resolutions with signatures from all the Board of Directors. The Board December 31, 2021, they adopted a resolution naming the officers, accepting the resignation of a Director, appointing a new Director, and changing the signatory authority at Hodge Bank & Trust.

- b. For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

Response: The Board reviewed the budget-to-actual comparisons and approved the budget.

- c. For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Response: The HUOC did not have a negative ending unrestricted fund balance.

Exception: See above responses.

*Management's Response: None.*

### **Bank Reconciliations**

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

a. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Response: There is evidence that the bank reconciliations were prepared within 2 months of statement closing date.

b. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Response: A member of management or a Board member has reviewed the reconciliation.

c. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Response: There are no outstanding transactions.

Exception: See above responses.

*Management's Response: None.*

### **Collections**

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

a. Employees that are responsible for cash collections do not share cash drawers/registers.

Response: Clerk and Assistant Clerk share cash drawer. Assistant Clerk is primarily responsible for taking deposits.

b. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

Response: The Clerk can collect cash and is responsible for preparing bank deposits.

c. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Response: The Clerk can collect cash and is responsible for posting collection entries to the general ledger.



d. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Response: The Clerk can collect cash and is responsible for reconciling the cash accounts monthly.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Response: Covered under liability insurance and bonded.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

a. Observe that receipts are sequentially pre-numbered.

Response: There are no sequentially pre-numbered receipts since the payments are for utility bills. All receipts are printed from the billing system, and a report is attached to the deposit.

b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Response: System reports were traced to the deposit slip.

c. Trace the deposit slip total to the actual deposit per the bank statement.

Response: Deposit slip total to the actual deposit per the bank statement.

d. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

Response: All deposits were made within one business day of receipt.

e. Trace the actual deposit per the bank statement to the general ledger.

Response: Deposits per the bank statements were traced to the general ledger for all deposits observed.

Exception: See above responses.

*Management's Response: None.*

### **Disbursements - General**

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Response: Management provided a listing of locations that process payments and representation that the listing is complete.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

a. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

b. At least two employees are involved in processing and approving payments to vendors.

Response: Disbursements for the HUOC are limited to payments for purchased fuel and electricity (from Shell, ETC Tiger Pipeline, and Entergy), reimbursements to the Village of Hodge, and legal and auditing fees. Purchases for fuel and electricity are drafted from the HUOC bank account; an invoice showing the payment is kept for each purchase. For reimbursements to the Village of Hodge and any vendor payments, these invoices are kept with a copy of the check issued. The checks require two signatures. We reviewed invoices from purchased fuel and electricity (covers 98.64% of total expenditures) and reimbursements to the Village of Hodge. All disbursements were supported by an invoice.

c. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Response: The Treasurer processes payments and adds/modifies vendors. However, all disbursements require two signatures from the Secretary/Vice President/Assistant Secretary. The signers are reviewing vendors while signing checks.

d. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Response: The Treasurer writes checks; then the check is given to the secretary or assistant secretary to be signed and mailed.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

Response: Management provided the disbursement transaction population and representation that the population is complete.

a. Observe that the disbursement matched the related original invoice/billing statement.

Response: All 58 disbursements reviewed matched the related original invoice/billing statement.

b. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Response: All disbursements followed the segregation of duties as stated.

Exception: See above responses.

*Management's Response: None.*

## **Credit Cards**

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Response: Management provided representation that the HUOC does not use or have a credit card, debit card, fuel card, or P-card.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

a. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.



b. Observe that finance charges and late fees were not assessed on the selected statements.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

a. For each transaction, observe that it is supported by:

- i. An original itemized receipt that identifies precisely what was purchased,
- ii. Written documentation of the business/public purpose, and
- iii. Documentation of the individuals participating in meals (for meal charges only).

### **Travel and Expense Reimbursement**

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Response: Management provided representation that there are no employees, so there are no travel and travel-related expense reimbursements.

- a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
- b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

### **Contracts**

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

Response: Management provided representation that no new contracts were initiated or renewed during the fiscal period.

- a. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

## **Payroll and Personnel**

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Response: Management provided representation that there were no employees.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

a. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

b. Observe that supervisors approved the attendance and leave of the selected employees/officials.

c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

d. Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee/officials' cumulate leave records, agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files, and agree the termination payment to entity policy.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

## **Ethics**

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Response: Ethics training completed by all Board members.

b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Response: There is evidence that the ethics policy has been reviewed annually.

Exception: See above responses.

*Management's Response: None.*

## **Debt Service**

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued.

Response: Management has provided representation that no bonds/notes were issued during the fiscal period.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Response: Management has provided representation that no bonds/notes were outstanding during the fiscal period.

## **Fraud Notice**

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Response: Management has provided representation that there were no misappropriations of public funds and assets during the fiscal period.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Response: We observed the notice posted at the office at the WestRock mill.

*Management's Response: None.*

## **Information Technology Disaster Recovery/Business Continuity**

25. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

Response: We observed that the backup has been completed.

b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

Response: Backups are stored on the WestRock servers and the accounting software (Sage) cloud. Backups are tested/verified.

c. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Response: The HUOC has one computer located in the WestRock accounting office, and it has current and active antivirus software.

Exception: See above responses.

*Management's Response: None*

## **Sexual Harrassment**

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Response: Sexual harrassment training completed by all Board members.

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Response: The sexual harrassment policy and complaint procedure is posted in a conspicuous location.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a. Number and percentage of public servants in the agency who have completed the training requirements;
- b. Number of sexual harassment complaints received by the agency;
- c. Number of complaints which resulted in a finding that sexual harassment occurred;
- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e. Amount of time it took to resolve each complaint.

Response: The sexual harassment report has been completed after February 1.

Exception: See above responses.

*Management's Response: None.*

We were engaged by Hodge Utility Operating Company to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Hodge Utility Operating Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, 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 LLA as a public document.

*Kenneth D. Folden & Co., CPAs, LLC*

Jonesboro, Louisiana

June 8, 2022



**Hodge Utility Operating Company**

PO Box 1710

Hodge, La 71247

June 08, 2022

Kenneth D. Folden & Co., CPAs, LLC  
302 8th Street  
Jonesboro, LA 71251

In connection with your engagement to apply agreed-upon procedures to certain control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUPs), for the fiscal period January 01, 2021 through December 31, 2021, we confirm to the best of our knowledge and belief, the following representations made to you during your engagement.

1. We acknowledge that we are responsible for the C/C areas identified in the SAUPs, including written policies and procedures; board or finance committee; bank reconciliations; collections; non-payroll disbursements; credit/debit/fuel/purchasing cards; travel and travel related expense reimbursement; contracts; payroll and personnel; ethics; debt service; and other areas (as applicable).  
Yes  No
2. For the fiscal period January 01, 2021 through December 31, 2021, the C/C areas were administered in accordance with the best practice criteria presented in the SAUPs.  
Yes  No
3. We are responsible for selecting the criteria and procedures and for determining that such criteria and procedures are appropriate for our purposes.  
Yes  No
4. We have provided you with access to all records that we believe are relevant to the C/C areas and the agreed-upon procedures.  
Yes  No
5. We have disclosed to you all known matters contradicting the results of the procedures performed in C/C areas.  
Yes  No
6. We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others affecting the C/C areas, including communications received between December 31, 2021, and June 8, 2022.  
Yes  No
7. We represent that the listing of bank accounts for the fiscal period that we provided to you is complete. We also represent that we have identified and disclosed to you our main operating account.

- Yes  No
8. We represent that the listing of deposit sites for the fiscal period that we provided to you is complete.
- Yes  No
9. We represent that the listing of collection locations for the fiscal period that we provided to you is complete.
- Yes  No
10. We represent that the listing of locations that process payments for the fiscal period that we provided to you is complete.
- Yes  No
11. We represent that the non-payroll disbursement transaction population for each location that processes payments for the fiscal period that we provided to you is complete.
- Yes  No
12. We represent that the listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards, that we provided to you is complete.
- Yes  No
13. We represent that the listing of all travel and travel-related expense reimbursements during the fiscal period that we provided to you is complete.
- Yes  No
14. We represent that the listing of all agreements/contracts (or active vendors) for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period that we provided to you is complete.
- Yes  No
15. We represent that the listing of employees/elected officials employed during the fiscal period that we provided to you is complete.
- Yes  No
16. We represent that the listing of employees/officials that received termination payments during the fiscal period that we provided to you is complete.
- Yes  No
17. We represent that the employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines during the fiscal period.
- Yes  No
18. We represent that the listing of bonds/notes issued during the fiscal period that we provided to you is complete.
- Yes  No
19. We represent that the listing of bonds/notes outstanding at the end of the fiscal period that we provided to you is complete.
- Yes  No



20. We represent that the listing of misappropriations of public funds and assets during the fiscal period that we provided to you is complete.

Yes  No

21. We are not aware of any material misstatements in the C/C areas identified in the SAUPs.

Yes  No

22. We have disclosed to you any other matters as we have deemed appropriate.

Yes  No

23. We have responded fully to all inquiries made by you during the engagement.

Yes  No

24. We have disclosed to you all known events that have occurred subsequent to December 31, 2021, that would have a material effect on the C/C areas identified in the SAUPs, or would require adjustment to or modification of the results of the agreed-upon procedures.

Yes  No

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

Signature Jonathan Mottis Date 6/27/22

Title Asst. Treasurer

Signature Sendra Smith Date 6/27/22

Title Treasurer