

**WASHINGTON PARISH GAS  
UTILITY DISTRICT NO. 2  
FRANKLINTON, LOUISIANA**

Annual Financial Statements  
and  
Independent Accountant's Review Report  
December 31, 2020 and 2019



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## **Independent Accountant's Review Report**

To the Board of Commissioners  
Washington Parish Gas Utility District No. 2  
Franklinton, Louisiana

We have reviewed the accompanying financial statements of Washington Parish Gas Utility District No. 2 (the District), a component unit of Washington Parish, Louisiana, which comprise the statement of net position as of December 31, 2020, the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. 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 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 American Institute of Certified Public Accountants, and applicable standards of *Government Auditing Standards* issued by the Comptroller General of the United States of America. 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.

In accordance with standards established by the American Institute of Certified Public Accountants, the *Louisiana Governmental Audit Guide*, and the provisions of state law, we have issued a report, dated July 29, 2021, on the results of our agreed-upon procedures.

### **Other Matters**

#### *Required Supplementary Information*

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. The management's discussion and analysis, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

#### *Other Supplementary Information*

The accompanying schedule of compensation paid to board of commissioners on page 23, and the schedule of compensation, benefits, and other payments to agency head, as required by Louisiana Revised Statute (R.S.) 24:513 A(3), on page 24, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information is the responsibility of management and was derived from, and related directly to, the underlying accounting and other records used to prepare the financial statements. This supplementary information has been subjected to the review procedures applied in our review of the financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

### **Report on the 2019 Financial Statements**

The 2019 financial statements of the District were audited by us, and we expressed an unmodified opinion on them in our report dated June 17, 2020. We have not performed any auditing procedures since that date.



A Professional Accounting Corporation

Covington, LA  
July 29, 2021

## **BASIC FINANCIAL STATEMENTS**

WASHINGTON PARISH GAS UTILITY DISTRICT NO. 2  
FRANKLINTON, LOUISIANA  
Statements of Net Position  
December 31, 2020 and 2019

	2020	2019
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 378,382	\$ 382,805
Investments	100,658	100,009
Receivables, Net	61,871	66,314
Inventory	38,391	39,588
Prepaid Insurance	13,293	13,717
	<hr/>	<hr/>
<b>Total Current Assets</b>	<b>592,595</b>	<b>602,433</b>
<b>Restricted Assets</b>		
Restricted Cash and Cash Equivalents	31,915	33,403
	<hr/>	<hr/>
<b>Total Restricted Assets</b>	<b>31,915</b>	<b>33,403</b>
<b>Property, Plant, and Equipment</b>		
Property, Plant, and Equipment, Net	494,294	525,687
	<hr/>	<hr/>
<b>Total Property, Plant, and Equipment</b>	<b>494,294</b>	<b>525,687</b>
	<hr/>	<hr/>
<b>Total Assets</b>	<b>1,118,804</b>	<b>1,161,523</b>

See accompanying notes and independent accountants' review report.

WASHINGTON PARISH GAS UTILITY DISTRICT NO. 2  
FRANKLINTON, LOUISIANA  
Statements of Net Position (Continued)  
December 31, 2020 and 2019

	2020	2019
<b>Liabilities</b>		
<b>Current Liabilities (Payable from Current Assets)</b>		
Accounts Payable	12,280	5,204
Other Accrued Payables	8,336	6,607
Deferred Insurance Proceeds	11,692	-
<b>Total Current Liabilities (Payable from Current Assets)</b>	<b>32,308</b>	<b>11,811</b>
<b>Current Liabilities (Payable from Restricted Assets)</b>		
Customer Deposits	32,722	34,242
<b>Total Current Liabilities (Payable from Restricted Assets)</b>	<b>32,722</b>	<b>34,242</b>
<b>Long-Term Liabilities</b>		
Note Payable	-	2,706
<b>Total Long-Term Liabilities</b>	<b>-</b>	<b>2,706</b>
<b>Total Liabilities</b>	<b>65,030</b>	<b>48,759</b>
<b>Net Position</b>		
Net Investment in Capital Assets	494,294	522,981
Unrestricted	559,480	589,783
<b>Total Net Position</b>	<b>\$ 1,053,774</b>	<b>\$ 1,112,764</b>

See accompanying notes and independent accountants' review report.

**WASHINGTON PARISH GAS UTILITY DISTRICT NO. 2**  
**FRANKLINTON, LOUISIANA**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended December 31, 2020 and 2019**

	2020	2019
<b>Operating Revenue</b>		
Gas Sales	\$ 419,080	\$ 465,854
Other Revenue	32,073	13,914
<b>Total Operating Revenue</b>	<b>451,153</b>	<b>479,768</b>
<b>Operating Expenses</b>		
Salaries and Wages	163,762	159,543
Depreciation	79,573	86,266
Insurance	46,726	35,904
Employee Benefits and Payroll Taxes	44,506	45,874
Cost of Gas Sold	34,247	42,664
Supplies	29,648	36,754
Compliance Expense	22,467	27,062
Repairs and Maintenance	21,055	19,283
Other	17,768	15,581
Professional Fees	16,550	20,950
Bad Debt Expense	10,865	15,180
Vehicle Expense	10,525	12,137
Telephone	8,487	7,988
Commissioners' Expense	7,850	7,000
<b>Total Operating Expenses</b>	<b>514,029</b>	<b>532,186</b>
<b>Net Operating Loss</b>	<b>(62,876)</b>	<b>(52,418)</b>
<b>Nonoperating Revenue (Expense)</b>		
Gain on Disposal of Capital Assets	2,975	28,696
Interest Income	998	448
Interest Expense	(87)	(610)
<b>Total Nonoperating Revenue (Expense)</b>	<b>3,886</b>	<b>28,534</b>
<b>Change in Net Position</b>	<b>(58,990)</b>	<b>(23,884)</b>
<b>Net Position, Beginning of Year</b>	<b>1,112,764</b>	<b>1,136,648</b>
<b>Net Position, End of Year</b>	<b>\$ 1,053,774</b>	<b>\$ 1,112,764</b>

See accompanying notes and independent accountants' review report.



**WASHINGTON PARISH GAS UTILITY DISTRICT NO. 2**  
**FRANKLINTON, LOUISIANA**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2020 and 2019**

	2020	2019
<b>Cash Flows from Operating Activities</b>		
Received from Customers	\$ 423,523	\$ 473,959
(Paid) Received for Meter Deposit Fees, Net	(1,520)	1,112
Other Receipts	32,073	13,914
Payments for Operations	(217,491)	(227,688)
Payments to Employees	(206,539)	(205,273)
	<u>30,046</u>	<u>56,024</u>
<b>Net Cash Provided by Operating Activities</b>	<b>30,046</b>	<b>56,024</b>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Payments for Capital Acquisitions	(48,180)	(50,852)
Proceeds from Insurance Settlements	11,692	35,144
Principal Repayments on Long-Term Debt	(2,706)	(9,511)
Interest Payments on Long-Term Debt	(87)	(610)
	<u>(39,281)</u>	<u>(25,829)</u>
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>(39,281)</b>	<b>(25,829)</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of Investments	-	(100,000)
Proceeds from Sale of Capital Asset	2,975	-
Interest Received	349	448
	<u>3,324</u>	<u>(99,552)</u>
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>3,324</b>	<b>(99,552)</b>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(5,911)</b>	<b>(69,357)</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>416,208</b>	<b>485,565</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 410,297</b>	<b>\$ 416,208</b>

See accompanying notes and independent accountants' review report.

**WASHINGTON PARISH GAS UTILITY DISTRICT NO. 2**  
**FRANKLINTON, LOUISIANA**  
**Statements of Cash Flows (Continued)**  
**For the Years Ended December 31, 2020 and 2019**

	2020	2019
<b>Reconciliation of Cash and Cash Equivalents to the Statements of Net Position</b>		
Cash and Cash Equivalents, Unrestricted	\$ 378,382	\$ 382,805
Cash and Cash Equivalents, Restricted	31,915	33,403
<b>Total Cash and Cash Equivalents</b>	<b>\$ 410,297</b>	<b>\$ 416,208</b>
<b>Supplemental Disclosures of Cash Flow Information</b>		
Cash Paid for Interest	\$ 87	\$ 610
<b>Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities</b>		
Net Operating Loss	\$ (62,876)	\$ (52,418)
Adjustments to Reconcile Net Operating Loss to Net Cash Provided by Operating Activities		
Depreciation	79,573	86,266
Loss on Disposal of Fixed Assets	-	-
Bad Debt Expense	10,865	15,180
(Increase) Decrease in:		
Accounts Receivable	(6,422)	(7,075)
Inventory	1,197	17,484
Prepaid Insurance	424	133
Increase (Decrease) in:		
Accounts Payable	7,076	(4,802)
Other Accrued Payables	1,729	144
Customer Deposits	(1,520)	1,112
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 30,046</b>	<b>\$ 56,024</b>

See accompanying notes and independent accountants' review report.

**WASHINGTON PARISH GAS UTILITY DISTRICT NO. 2  
FRANKLINTON, LOUISIANA**

**Notes to Financial Statements**

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**Introduction**

Washington Parish Gas Utility District No. 2 (the District) was created by the Washington Parish Council on July 7, 1972, under provisions authorized by Louisiana Revised Statute (R.S.) 33:430. The purpose of the District is to build and maintain a natural gas distribution system for the rural area in the western part of Washington Parish. The system serves approximately 535 active customers over distribution lines of 165 miles.

The accounting and reporting policies of the District are the responsibility of a five-member board appointed by the Washington Parish Council. These accounting and reporting policies conform to generally accepted accounting principles as applicable to enterprise funds of a governmental entity. Such accounting and reporting procedures also conform to the guides set forth in the *Louisiana Governmental Audit Guide* and to the industry audit guide, *Audits of State and Local Governmental Units*.

Governmental Accounting Standards Board (GASB) Statement No. 14, as amended, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a component unit of the Washington Parish Council. As a component unit, the accompanying financial statements are to be included within the reporting of the primary government, either blended within those financial statements or separately reported as a discrete component unit. Under provisions of this Statement, there are no component units of the District.

**Note 1. Summary of Significant Accounting Policies**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The District's financial statements are prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. The District applies all GASB pronouncements as described in the following paragraphs.

These financial statements are presented in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended by GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. These Statements established standards for financial reporting, with presentation requirements including a statement of net position (or balance sheet), a statement of revenues, expenses, and changes in net position, and a statement of cash flows. The District has also adopted the provisions of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, that requires capital contributions to the District be presented as a change in net position.

**WASHINGTON PARISH GAS UTILITY DISTRICT NO. 2  
FRANKLINTON, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows or resources, and net position in a statement of financial position and related disclosures. GASB Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined deferred outflows of resources as a consumption of net assets by the government that is applicable to a future reporting period, and deferred inflows of resources as an acquisition of net assets by the government that is applicable to a future reporting period. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. GASB Concepts Statement No. 4 identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in GASB 34 and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. As required by the GASB, the District implemented GASB 63 during the year ended December 31, 2012. The District did not have any deferred outflows of resources or deferred inflows of resources at December 31, 2020 or 2019.

The District has also previously adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities.

All activities of the District are accounted for in a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprise, where the intent of the governing authority is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Enterprise Fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all of the assets and liabilities associated with the operation of this fund are included on the statements of net position. The statements of revenues, expenses, and changes in net position include all costs of providing goods and services during the period.

The Enterprise Fund uses the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred.

**WASHINGTON PARISH GAS UTILITY DISTRICT NO. 2  
FRANKLINTON, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary fund are gas revenue and recurring customer user charges for the services provided by the Enterprise Fund. Re-connect and installation fees are recorded in the month service is rendered and collected. Operating expenses for the Enterprise Fund include the cost of gas sold, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**Cash and Cash Equivalents and Investments**

Cash includes unrestricted amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and investments in bank certificates with original maturities of 90 days or less.

Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**Investments**

Investments are limited by R.S. 33:2955 and the District's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The following disclosures are required by GASB Statement No. 31:

- The District uses the quoted market prices to estimate the fair value of the investments.
- None of the investments are reported at amortized cost.
- There is no involuntary participation in an external investment pool.

**Inventory**

The District purchases its estimated monthly gas allotment based on historical analysis. By agreement with El Paso Energy Corporation, the District is allowed to store any surplus gas in the El Paso Energy Corporation's facilities. Inventories of gas are valued at lower of cost or market and are expensed using the first-in, first-out method.

**WASHINGTON PARISH GAS UTILITY DISTRICT NO. 2  
FRANKLINTON, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Inventory (Continued)**

Inventories of gas line supplies are valued at lower of cost or market and are expensed using the first-in, first-out method.

**Prepaid Insurance**

Payments made to vendors that will benefit periods beyond the end of the current calendar year are recorded as prepaid items.

**Restricted Assets**

Customer deposits are included as restricted assets and are offset by corresponding restricted liabilities. Money received for utility deposits paid by new customers is held at various banks in Franklinton, Louisiana. The District holds meter deposits until a customer becomes inactive. The meter deposit is then applied to the accounts receivable balance due, and any remainder is refunded to the customer. Current meter deposits are \$150 for renters and \$100 for owners.

**Capital Assets**

Capital assets of the District are defined by the District as assets with an initial individual cost of more than \$500, and an estimated useful life in excess of one year. Capital assets are recorded at either historical cost or estimated historical cost. Donated assets are valued at their estimated fair market value on the date donated. Depreciation of all exhaustible fixed assets is charged as an expense against operations.

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

<b>Description</b>	<b>Estimated Useful Lives</b>
Buildings	5 - 20 Years
Equipment	5 - 10 Years
Meters	5 - 20 Years
Utility System	15 - 40 Years

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

**WASHINGTON PARISH GAS UTILITY DISTRICT NO. 2  
FRANKLINTON, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Compensated Absences**

The District has the following policy related to vacation and sick leave:

During the initial year of employment and after an employee's initial three months of employment, all employees of the District earn 1 day per month of vacation until the end of the calendar year. After the initial year of employment, all employees of the District earn vacation based on the following schedule:

<b>Years of Employment</b>	<b>Vacation Earned</b>
1 - 10 Years	2 Weeks
10 - 15 Years	3 Weeks
15 - 20 Years	4 Weeks
20+ Years	5 Weeks

Vacation leave must be taken during the year earned. However, upon termination or retirement, employees are paid for any unused vacation leave earned during the current year. All employees earn one half day of sick leave each month during the year. A total of ten days of sick leave can be accumulated. All accumulated sick leave lapses upon termination. There were no accumulated or vested leave benefits reported by the District in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, as of December 31, 2020 or 2019.

**Long-Term Debt Obligations**

Long-term liabilities are recognized within the Enterprise Fund. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are now expensed in the period incurred under GASB 65.

The District has implemented GASB 65, and with the implementation of GASB 65, the recognition of bond-related costs, including the costs related to issuance and refunding of debt, are revised. This standard was intended to complement GASB 63. The District did not have any bond-related costs in the years ended December 31, 2020 or 2019.

**WASHINGTON PARISH GAS UTILITY DISTRICT NO. 2  
FRANKLINTON, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Net Position**

GASB 34 requires classification of net position, the difference between the District's assets and liabilities, into three components. GASB 63 revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming the measure as net position, rather than net assets.

In accordance with GASB 34, as amended by GASB 63, net position is classified into three components: net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

- a. *Net Investment in Capital Assets* - This component of net position consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, plus deferred outflows of resources, less deferred inflows of resources, related to those assets.
- b. *Restricted* - This component of net position consists of assets that have constraints that are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
- c. *Unrestricted* - All other net position is reported in this category.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires 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 and expenses during the reporting period. Actual results could differ from those estimates.

**Adopted Accounting Pronouncements**

For the fiscal year ended December 31, 2020, the District adopted GASB Statement No. 84, *Fiduciary Activities*. The objective of GASB 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The adoption of this Statement had no impact on the District's financial statements.



**WASHINGTON PARISH GAS UTILITY DISTRICT NO. 2  
FRANKLINTON, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Adopted Accounting Pronouncements (Continued)**

The District also adopted GASB Statement No. 88, *Certain Disclosures Related to Debt*. This Statement defines debt for purposes of disclosure in notes to the financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments. The adoption of this Statement had no impact on the District's financial statements.

**Upcoming Accounting Pronouncements**

The GASB issued Statement No. 87, *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postponing the effective date of Statement No. 87 to reporting periods beginning after June 15, 2021.

The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of GASB 89 are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postponing the effective date of Statement No. 89 to reporting periods beginning after December 15, 2020.

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The Statement is effective for fiscal years beginning after June 15, 2022.

The GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. This Statement amends Questions 4.3 and 4.5 of Implementation Guide 201-2. The requirements of this Statement related to the accounting and financial reporting for Internal Revenue Code Section 457 plans are effective June 15, 2021.

**WASHINGTON PARISH GAS UTILITY DISTRICT NO. 2  
FRANKLINTON, LOUISIANA**

**Notes to Financial Statements**

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**Note 2. Cash and Cash Equivalents**

At December 31, 2020 and 2019, the District had cash and cash equivalents (book balances), as follows:

	2020	2019
Cash on Hand	\$ 200	\$ 200
Demand Deposits	302,595	300,156
Time and Savings Accounts	107,502	115,852
<b>Total</b>	<b>\$ 410,297</b>	<b>\$ 416,208</b>

*Custodial Credit Risk* - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be recovered. The District does not have a deposit policy for custodial credit risk. Under state law, deposits 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.

The custodial bank must advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

At December 31, 2020, the District had \$412,957 in deposits (collected bank balances) consisting of \$305,455 in demand deposits and \$107,502 in time and savings accounts. At December 31, 2020, \$-0- was susceptible to custodial credit risk.

At December 31, 2019, the District had \$418,623 in deposits (collected bank balances) consisting of \$302,771 in demand deposits and \$115,852 in time and savings accounts. At December 31, 2019, \$11,202 was susceptible to custodial credit risk. However, deposits were secured by a Federal Home Loan Bank letter of credit.

**Note 3. Investments**

Investments are categorized into these three categories of credit risk:

1. Insured or registered, with securities held by the District or its agent in the District's name.
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the District's name.
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the District's name.

**WASHINGTON PARISH GAS UTILITY DISTRICT NO. 2  
FRANKLINTON, LOUISIANA**

**Notes to Financial Statements**

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**Note 3. Investments (Continued)**

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, all investments are carried at fair market value, with the estimated fair market value based on quoted market prices.

*Interest Rate Risk:* The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value arising from increasing interest rates.

As of December 31, 2020, the District had \$100,658 invested in the Louisiana Asset Management Pool, Inc. (LAMP) which is included in the total investment balance. The LAMP portfolio includes only securities and other obligations in which local governments are authorized to invest in accordance with R.S. 33:2955.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments.

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

*Credit Risk:* LAMP is rated AAAM by Standard and Poor's.

*Custodial Credit Risk:* LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized, because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

*Interest Rate Risk:* LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method.

The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

**WASHINGTON PARISH GAS UTILITY DISTRICT NO. 2  
FRANKLINTON, LOUISIANA**

**Notes to Financial Statements**

**Note 4. Receivables**

The following is a summary of receivables at December 31, 2020 and 2019:

	Year Ended December 31, 2020		Year Ended December 31, 2019		Increase (Decrease) in Percent
		%		%	
<b>Accounts Receivable</b>					
Current	\$ 52,696	80%	\$ 54,412	72%	9%
31-60 Days Past Due	4,355	7%	7,195	9%	-3%
61-90 Days Past Due	2,320	4%	2,421	3%	0%
Over 90 Days Past Due	6,234	10%	11,902	16%	-6%
Subtotal	65,605		75,930		
Allowance for Uncollectible Accounts	(6,234)		(11,902)		
<b>Net Accounts Receivable</b>	<b>59,371</b>		<b>64,028</b>		
<b>Other Receivables</b>					
Unbilled Gas Revenue	2,500		2,286		
<b>Total Other Receivables</b>	<b>2,500</b>		<b>2,286</b>		
<b>Total Receivables, Net</b>	<b>\$ 61,871</b>		<b>\$ 66,314</b>		

All customer receivables are reported at gross value and reduced by the portion that is expected to be uncollectible. Periodically, the Board reviews the aging of receivables and determines the actual amount uncollectible. Per board approval, uncollectible amounts are normally written off against accounts receivable, and the allowance for doubtful accounts is adjusted to a reasonable estimate of collectability. Bad debt expense of \$10,865 was recorded for the current fiscal year and the allowance for uncollectible accounts was adjusted to \$6,234.

Unbilled revenues (accrued billings) consist of gas consumed between the final meter reading date in the last billing cycle of the year and not billed to the customers until the next month in the subsequent fiscal period. At December 31, 2020 and 2019, accrued billing amounts were \$2,500 and \$2,286, respectively.

**Note 5. Restricted Assets**

The following is a summary of restricted assets at December 31, 2020 and 2019:

	2020	2019
Customer Deposits	\$ 32,722	\$ 34,242

**WASHINGTON PARISH GAS UTILITY DISTRICT NO. 2  
FRANKLINTON, LOUISIANA**

**Notes to Financial Statements**

**Note 6. Capital Assets**

A summary of changes in capital assets during the fiscal years ended December 31, 2020 and 2019, is as follows:

December 31, 2020	Beginning Balance 01/01/2020	Increases	Decreases	Ending Balance 12/31/2020
<b>Capital Assets</b>				
Buildings	\$ 15,001	\$ -	\$ -	\$ 15,001
Equipment	304,922	-	(16,540)	288,382
Meters	12,440	-	-	12,440
Utility System	2,213,772	48,180	-	2,261,952
<b>Total Capital Assets</b>	<b>2,546,135</b>	<b>48,180</b>	<b>(16,540)</b>	<b>2,577,775</b>
<b>Less Accumulated Depreciation for:</b>				
Buildings	(14,579)	(166)	-	(14,745)
Equipment	(219,483)	(24,160)	16,540	(227,103)
Meters	(12,440)	-	-	(12,440)
Utility System	(1,774,057)	(55,136)	-	(1,829,193)
<b>Total Accumulated Depreciation</b>	<b>(2,020,559)</b>	<b>(79,462)</b>	<b>16,540</b>	<b>(2,083,481)</b>
<b>Total Capital Assets, Net</b>	<b>\$ 525,576</b>	<b>\$ (31,282)</b>	<b>\$ -</b>	<b>\$ 494,294</b>
<hr/>				
December 31, 2019	Beginning Balance 01/01/2019	Increases	Decreases	Ending Balance 12/31/2019
<b>Capital Assets</b>				
Buildings	\$ 15,001	\$ -	\$ -	\$ 15,001
Equipment	286,360	50,852	(32,290)	304,922
Meters	12,440	-	-	12,440
Utility System	2,213,772	-	-	2,213,772
<b>Total Capital Assets</b>	<b>2,527,573</b>	<b>50,852</b>	<b>(32,290)</b>	<b>2,546,135</b>
<b>Less Accumulated Depreciation for:</b>				
Buildings	(14,302)	(166)	-	(14,468)
Equipment	(217,652)	(27,663)	25,832	(219,483)
Meters	(12,418)	(22)	-	(12,440)
Utility System	(1,715,643)	(58,414)	-	(1,774,057)
<b>Total Accumulated Depreciation</b>	<b>(1,960,015)</b>	<b>(86,265)</b>	<b>25,832</b>	<b>(2,020,448)</b>
<b>Total Capital Assets, Net</b>	<b>\$ 567,558</b>	<b>\$ (35,413)</b>	<b>\$ (6,458)</b>	<b>\$ 525,687</b>

**WASHINGTON PARISH GAS UTILITY DISTRICT NO. 2  
FRANKLINTON, LOUISIANA**

**Notes to Financial Statements**

**Note 6. Capital Assets (Continued)**

Depreciation expense totaling \$79,573 and \$86,266 was computed on a straight-line basis for financial statement purposes for the years ended December 31, 2020 and 2019, respectively. Additions to capital assets during 2020 included improvements to gas system infrastructure costing \$48,180, and for 2019 included equipment purchases of \$50,852.

**Note 7. Long-Term Obligations**

The following is a summary of long-term obligation transactions for the years ended December 31, 2020 and 2019:

<b>December 31, 2020</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Long-Term Debt</b>					
<b>Note Payable</b>	\$ 2,706	\$ -	\$ (2,706)	\$ -	\$ -
<b>Total Long-Term Debt</b>	<b>\$ 2,706</b>	<b>\$ -</b>	<b>\$ (2,706)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>December 31, 2019</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Long-Term Debt</b>					
<b>Note Payable</b>	\$ 12,217	\$ -	\$ (9,511)	\$ 2,706	\$ 2,706
<b>Total Long-Term Debt</b>	<b>\$ 12,217</b>	<b>\$ -</b>	<b>\$ (9,511)</b>	<b>\$ 2,706</b>	<b>\$ 2,706</b>

**Note 8. Restricted Net Position**

At December 31, 2020, the District had \$-0- in restricted net position. Restricted net position (restricted for capital activity and debt service) represents the District's funds restricted by revenue bond debt covenants, contracts with customers for meter deposits, and the unspent portion of capital debt related to amounts restricted for capital projects, less liabilities related to these restricted funds. A liability relates to restricted assets if the asset results from incurring the liability or if the liability will be liquidated with the restricted assets.

**WASHINGTON PARISH GAS UTILITY DISTRICT NO. 2  
FRANKLINTON, LOUISIANA**

**Notes to Financial Statements**

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**Note 9. Pension Plan**

The District adopted a Simple IRA retirement plan on April 4, 2005. The prototype plan provides for participating employees to defer through payroll withholding up to \$11,500 per year. The District agreed to match employee withholdings, up to three percent of each participating employee's wages. Contributions are made each month following the month withholdings are collected. Total pension fund expense was \$-0- for the fiscal years ended December 31, 2020 and 2019.

**Note 10. Litigation and Claims**

As of December 31, 2020 and 2019, the District was not involved in any litigation or claims.

**Note 11. Facilities**

The District's office is located in a building leased by the Washington Parish Council (the Council). The Council pays the rent and utilities on the building (office space approximately 800 square feet). The Council pays certain operating expenditures of the District. These expenditures are not reflected in the accompanying financial statements.

The District and the Washington Parish Council signed an intergovernmental cooperative agreement concerning the use of the Council property for an equipment yard and space for the storage shed. The term of this agreement was for the period June 1, 2002 through May 31, 2003. The term was extended on a month-to-month basis after May 31, 2003, with either party having the right to cancel the agreement by giving 60 days written notice to the other party. The District constructed a fence around the property and placed a portable storage building on the property. The District has the right to remove any improvements made to the property within 30 days after the effective date of cancellation.

**Note 12. Contingency**

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern", and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the geographical area in which the District operates. It is unknown how long the adverse conditions associated with the coronavirus will last and what the complete financial effect will be to the District.

## **OTHER SUPPLEMENTARY INFORMATION**



**WASHINGTON PARISH GAS UTILITY DISTRICT NO. 2**  
**FRANKLINTON, LOUISIANA**  
**Schedule of Compensation Paid to Board of Commissioners**  
**For the Year Ended December 31, 2020**

**Schedule 1**

The Board of Commissioners of the District consists of five members appointed by the Washington Parish Council. The following schedule of compensation paid to board of commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation did not exceed provisions of R.S. 33:4305.B.[1].

<b>Name and Title</b>	<b>Address</b>	<b>Compensation Received</b>	<b>Term Expiration</b>
Robert Paul Givens, Chairman (985) 839-4127	23010 Highway 450 Franklinton, LA 70438	\$ 2,050	12/31/2022
Don Wheat (985) 515-6939	56475 Leonard Seals Road Angie, LA 70426	1,500	12/31/2025
Joseph Felder (985) 966-0858	23642 Highway 25 Franklinton, LA 70438	1,500	12/31/2024
Dock Dyson, Jr. (985) 848-2476	56151 B.B. McKenzie Road Franklinton, LA 70438	1,300	12/31/2023
Dennis Warren (985) 839-6360	47168 Jenkins Road Franklinton, LA 70438	1,500	12/31/2025
		<u>\$ 7,850</u>	

See independent auditor's report.

WASHINGTON PARISH GAS UTILITY DISTRICT NO. 2  
FRANKLINTON, LOUISIANA  
Schedule of Compensation, Benefits, and Other Payments  
to Agency Head  
For the Year Ended December 31, 2020

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Schedule 2

**Agency Head**  
Melissa Haley, Gas Superintendent

<b>Purpose</b>	<b>Amount</b>
Salary	\$48,955
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Other	\$0
Car Allowance	\$0
Vehicle Provided by Government	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

See independent auditor's report.

## **INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Commissioners  
Washington Parish Gas Utility District No. 2  
Franklinton, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below on the management of Washington Parish Gas Utility District No. 2 (the District) assertions about compliance with certain laws and regulations during the year ended December 31, 2020, included in the accompanying *Louisiana Attestation Questionnaire*. Management of the District is responsible for its financial records and compliance with applicable laws and regulations.

Management of the District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users of the report in evaluating management's assertions about the District's compliance with certain laws and regulations during the year ended December 31, 2020. Additionally, the Legislative Auditor, State of Louisiana, has agreed to and acknowledged that the procedures performed are appropriate for their 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. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

An agreed-upon procedures engagement is one in which a practitioner is engaged by a client to issue a report of findings based on specific procedures performed on subject matter.

Our procedures and associated results are as follows:

### **Public Bid Law**

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

**Results:** A review was made of all disbursements for the year. There were no disbursements for materials and supplies that exceeded \$30,000, or for public works exceeding \$150,000.

## **Code of Ethics for Public Officials and Public Employees**

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

Results: Management provided us with a list of immediate family members of each board member and their immediate family members and related business interests, as well as a list of all employees and their immediate family members and related business interests.

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

Results: Management supplied us with a list of all employees paid during the period under examination.

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

Results: No employees included in the listing of employees paid during the period under examination were included as immediate family members in the listing of board members and immediate family members obtained.

## **Budgeting**

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

Results: Proprietary funds are not required to adopt an annual budget. The District did not officially adopt a budget for the year ended December 31, 2020.

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

Results: Not applicable.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures, and report whether actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total).

Results: Not applicable.

## **Accounting and Reporting**

8. Randomly select six disbursements made during the period under examination and: (a) trace payments to supporting documentation as to proper amount and payee, (b) determine if payments were properly coded to the correct fund and general ledger account, and (c) determine whether payments received approval from proper authorities.

Results: We randomly selected six disbursements made during the year ended December 31, 2020. We obtained supporting documentation for five of the six disbursements and determined that it agreed to amount and payee, payments were properly coded to the correct fund and general ledger account, and payments received approval from proper authorities. For one of the six disbursements, a supporting invoice or receipt could not be provided and the disbursement failed to meet the three elements above.

## **Meetings**

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law).

Results: Management has asserted to us that such documents were properly posted before each meeting held during 2020.

## **Debt**

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

Results: We reviewed deposits made during the year and noted no deposits that appeared to be proceeds of bank loans, bonds, or like indebtedness.

## **Advances and Bonuses**

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

Results: We obtained and examined payroll records and meeting minutes of the governing board for the year. We noted no evidence that payments were made to employees that may constitute bonuses, advances, or gifts.

## Prior Comments and Recommendations

12. Review any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

Results: We obtained a statement from management on their actions taken in response to all prior-year comments. Management has implemented a resolution to all items commented on.

We were engaged by the District 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. We were not engaged to and did not conduct an examination or a review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's compliance with certain laws and regulations during the year ended December 31, 2020, included in the accompanying *Louisiana Attestation Questionnaire*. 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 the District 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 for the use of the management of Washington Parish Gas Utility District No. 2 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



A Professional Accounting Corporation

Covington, LA  
July 29, 2021

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Governmental Agencies)**

10/25/21 (Date Transmitted)

Washington Parish Gas Utility Dist. 2 (CPA Firm Name)  
205 11th Avenue Suite 2 (CPA Firm Address)  
Franklinton, LA 70438 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of 10/25/2021 (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.



Secretary \_\_\_\_\_ Date

Treasurer \_\_\_\_\_ Date

*Robert Paul Luens* President 11/25/21 Date