

**EUNICE STUDENT HOUSING
FOUNDATION, INC.**

Eunice, Louisiana

Financial Report

Years Ended August 31, 2017 and 2016

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INDEPENDENT AUDITOR’S REPORT

The Board of Directors
Eunice Student Housing Foundation, Inc.
Eunice, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements and the related notes of the Eunice Student Housing Foundation, Inc. (a nonprofit organization), as of and for the years ended August 31, 2017 and 2016, as listed in the table of contents.

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.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Eunice Student Housing Foundation, Inc., as of August 31, 2017 and 2016, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated August 1, 2018 on our consideration of the Foundation's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 the internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Dannall, Sikes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
August 1, 2018

EUNICE STUDENT HOUSING FOUNDATION, INC.

Statements of Net Position
August 31, 2017 and 2016

ASSETS

	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
Cash	\$ 1,480	\$ 177,618
Rents and fees receivable, net of allowance for doubtful accounts	4,159	86,945
Cash - restricted	171,991	239,037
Investments - restricted for debt service, at fair market value	446,343	443,423
Prepaid expenses	-	3,450
	<u>623,973</u>	<u>950,473</u>
PROPERTY AND EQUIPMENT, at cost	5,430,104	5,366,690
Less: accumulated depreciation	<u>(2,348,155)</u>	<u>(2,223,453)</u>
	<u>3,081,949</u>	<u>3,143,237</u>
 TOTAL ASSETS	 <u>3,705,922</u>	 <u>4,093,710</u>

LIABILITIES

CURRENT LIABILITIES		
Accounts payable	102,048	301,567
Accrued interest payable	26,676	27,289
Unearned rent revenue	5,058	16,311
Current maturities of long-term debt	209,542	188,036
Security deposits	17,180	22,664
	<u>360,504</u>	<u>555,867</u>
LONG-TERM DEBT		
Note payable	<u>6,337,405</u>	<u>6,554,848</u>
	<u>6,337,405</u>	<u>6,554,848</u>
 TOTAL LIABILITIES	 <u>6,697,909</u>	 <u>7,110,715</u>

NET POSITION

Net invested in capital assets	(3,464,998)	(3,599,647)
Restricted for debt service	618,334	682,460
Unrestricted	<u>(145,323)</u>	<u>(99,818)</u>
 TOTAL NET POSITION	 <u>\$ (2,991,987)</u>	 <u>\$ (3,017,005)</u>

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

EUNICE STUDENT HOUSING FOUNDATION, INC.
 Statements of Revenues, Expenses and Changes in Net Position
 Years Ended August 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
OPERATING REVENUES		
Rental income	\$ 1,126,652	\$ 1,114,760
Fee income	14,839	7,760
Other	<u>4,067</u>	<u>2,516</u>
Total operating revenues	<u>1,145,558</u>	<u>1,125,036</u>
OPERATING EXPENSES		
Advertising	3,542	5,047
Bad debt expense	73,382	22,514
Contract services	42,342	43,952
Depreciation expense	124,701	125,126
Employee benefit	4,023	1,409
Insurance	17,407	14,039
Management fee	44,430	60,825
Meals and entertainment	2,477	1,820
Miscellaneous	123,890	7,576
Office expense	18,365	2,366
Payroll taxes	5,517	9,590
Postage	961	815
Professional fees	7,500	7,500
Rent	4,549	2,475
Repair and maintenance	125,660	160,283
Salaries	75,641	123,158
Supplies	11,510	888
Telephone	4,416	5,138
Training	220	-
Travel	27,343	2,769
Trustee Fee	1,200	-
Uniforms	334	124
Utilities	<u>85,477</u>	<u>114,507</u>
Total operating expenses	<u>804,887</u>	<u>711,921</u>
Operating income	<u>340,671</u>	<u>413,115</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest income	2,090	1,927
Interest expense	<u>(317,743)</u>	<u>(300,009)</u>
Total non-operating revenues (expenses)	<u>(315,653)</u>	<u>(298,082)</u>
INCREASE (DECREASE) IN NET POSITON	25,018	115,033
NET POSITION, beginning	<u>(3,017,005)</u>	<u>(3,132,038)</u>
NET POSITION, ending	<u>\$ (2,991,987)</u>	<u>\$ (3,017,005)</u>

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

EUNICE STUDENT HOUSING FOUNDATION, INC.

Statements of Cash Flows
Years Ended August 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Charges for rent and users	\$ 1,170,862	\$ 1,200,407
Payments to suppliers for goods and services	(759,868)	(601,588)
Payments to employees	<u>(75,641)</u>	<u>(123,158)</u>
Net cash provided by operating activities	<u>335,353</u>	<u>475,661</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Interest payments	(318,356)	(272,720)
Proceeds from long term debt	-	300,000
Repayment on long term debt	<u>(195,937)</u>	<u>(153,415)</u>
Net cash used by financing activities	<u>(514,293)</u>	<u>(126,135)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	2,090	1,927
Purchase of property and equipment	(63,414)	(72,024)
Change in interest bearing deposits	<u>(2,920)</u>	<u>(1,855)</u>
Net cash used by investing activities	<u>(64,244)</u>	<u>(71,952)</u>
Net increase (decrease) in cash and cash equivalents	(243,184)	277,574
CASH AND CASH EQUIVALENTS, beginning of year	<u>416,655</u>	<u>139,081</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 173,471</u>	<u>\$ 416,655</u>
Reconciliation of cash and cash equivalents per statements of cash flows to the balance sheets:		
Cash and cash equivalents, end of year		
Cash - unrestricted	\$ 1,480	\$ 177,618
Cash - restricted	<u>171,991</u>	<u>239,037</u>
Total cash and cash equivalents	<u>\$ 173,471</u>	<u>\$ 416,655</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 340,671	\$ 413,115
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	124,701	125,126
Bad debts	73,382	22,514
(Increase) decrease in:		
Rent and fees receivable	9,404	50,930
Prepaid expenses	3,451	-
Increase (decrease) in:		
Accounts payable	(199,519)	120,182
Management fees payable	-	(48,241)
Unearned rent revenue	(11,253)	(178,997)
Security deposits payable	<u>(5,484)</u>	<u>(28,968)</u>
Net cash provided by operating activities	<u>\$ 335,353</u>	<u>\$ 475,661</u>

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

EUNICE STUDENT HOUSING FOUNDATION, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Operations

The Eunice Student Housing Foundation, Inc. (The Foundation) is a not-for-profit organization as outlined in the Internal Revenue Code Section 501(c)(3). The Foundation provides student housing on the campus of Louisiana State University at Eunice, Louisiana, known as Bengal Village. The Bengal Village apartment complex consists of 58 units and is managed by Campus Living Villages (Campus). The management agreement commenced August 1, 2002 for a term of 15 years through July 31, 2017. The agreement was terminated July 31, 2017 and management is now provided by Louisiana State University at Eunice (LSUE) personnel.

Reporting Entity

GASB Statement No. 14, The Reporting Entity, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the Foundation is considered a component unit of the Louisiana State University System. As a component unit, the audited financial statements of the Eunice Student Housing Foundation will be included in the basic financial statements of the Louisiana State University System, a component unit of the State of Louisiana, and in the basic financial statements of the Louisiana State University at Eunice for the year ended June 30, 2017.

The accompanying financial statements present information only on the funds maintained by the Eunice Student Housing Foundation.

Basis of Accounting

The financial statements of Eunice Student Housing Foundation, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables and payables.

Fund Accounting

The accounts of the Foundation are organized and operated on a fund basis whereby a separate self-balancing set of accounts that comprise its assets, liabilities, net assets, revenues and expenses is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or regulations. The Foundation is presented in the accompanying financial statements as follows:

PROPRIETARY FUND –

The focus of Enterprise fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The Enterprise fund is accounted for using the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred. Operating revenues and expenses generally result

EUNICE STUDENT HOUSING FOUNDATION, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of the Foundation are leases and rents. The operating cost of the enterprise fund is all costs associated with the operation of the Foundation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Equity Classifications

Equity is classified as net position and displayed in three components:

- a. Net Invested in capital assets – Consists of capital assets including restricted capital assets net of accumulated depreciation and reduced by the outstanding balance of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net invested in capital assets.”

The Foundation used unrestricted assets only when restricted assets are fully depleted.

Revenue Recognition

The Foundation recognizes operating revenues at the time services are rendered. Rent received in advance is deferred until earned. Fee income includes revenue recognized for items such as application fees, late charge fees, cancellation fees and tenant insufficient funds fees. Other operating income includes revenue recognized for items such as vending revenues and other miscellaneous tenant revenue. Non-operating revenue includes interest income.

Cash and Cash Equivalents

The Foundation's liquid debt instruments with a maturity of three months or less at the date of purchase are deemed cash equivalents. Restricted cash consists of various reserve accounts as required for certain uses by the project mortgage note agreement, as discussed in Note 3. Changes in restricted cash have been reported as increases or decreases in operating and financing activities based on the nature of the underlying cash flows.

EUNICE STUDENT HOUSING FOUNDATION, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Restricted Cash

Restricted cash balances comprise funds held in separate bank accounts for deposits made as security deposits and rent receipts.

Depreciation

Depreciation is calculated over the estimated useful lives of the respective assets using the straight-line method.

Maintenance, Capitalization, and Disposal Policies

Repairs and maintenance are expensed as incurred. Expenditures incurred in the construction or that increase the value or productive capacity of assets are capitalized. When property and equipment are retired, sold, or otherwise disposed of, the asset's carrying amount and related accumulated depreciation are removed from the accounts and any gain or loss is included in operations.

Statement of Cash Flows

For the purpose of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid interest-bearing deposits with a maturity of three months or less when purchased.

Use of Estimates

Preparation of the Foundation's financial statements in conformity with generally accepted accounting principles 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Rent Receivables, Net

The allowance for doubtful accounts is the Foundation's best estimate for losses resulting from the inability of its customers to pay amounts owed. The Foundation determines the allowance based on historical write-off experience. The allowance balance at August 31, 2017 and 2016 and is \$73,382 and \$85,156, respectively. The net rent receivable and allowance were adjusted during the year to write-off historical balance.

Subsequent Events

The Foundation has evaluated subsequent events through August 1, 2018, the date the financial statements were available to be issued.

EUNICE STUDENT HOUSING FOUNDATION, INC.

Notes to Financial Statements

NOTE 2 TAX STATUS

The Foundation is accorded tax-exempt status under the Internal Revenue Code Section 501(c) (3). It is also exempt from Louisiana income tax. The audited financial statements of the Foundation will be included in the Louisiana State University system's financial statements and the State of Louisiana Comprehensive Annual Financial Report. Accordingly, no provision is required for income taxes.

The Foundation is not a private foundation as determined under Section 509(a) of the Internal Revenue Code.

NOTE 3 CASH AND CASH EQUIVALENTS

	<u>2017</u>	<u>2016</u>
Unrestricted:		
Petty cash	\$ 300	\$ 2,822
St. Landry Bank - rental deposits	2,272	44,224
JP Morgan Chase- operating	(1,092)	130,572
Total unrestricted cash	<u>1,480</u>	<u>177,618</u>
Restricted:		
St. Landry Bank - security deposits	27,682	26,107
St. Landry Bank - reserve account	144,309	212,930
Total restricted cash	<u>171,991</u>	<u>239,037</u>
Total cash and cash equivalents	<u>\$ 173,471</u>	<u>\$ 416,655</u>
	<u>2017</u>	<u>2016</u>
Bank balances	\$ 173,471	\$ 527,368
Federal deposit insurance	<u>750,000</u>	<u>750,000</u>
Balance uninsured	(576,529)	(222,632)
Pledged securities (category 3)	-	-
Excess FDIC insurance and pledged securities over cash and investments	<u>\$ 576,529</u>	<u>\$ 222,632</u>

EUNICE STUDENT HOUSING FOUNDATION, INC.

Notes to Financial Statements

NOTE 3 CASH AND CASH EQUIVALENTS

	Bank Balance 2017	Bank Balance 2016
Unrestricted:		
J. P. Morgan Chase - operating	\$ 1,566	\$ 217,991
St. Landry Bank - rental deposits	<u>4,885</u>	<u>44,224</u>
Total unrestricted cash	<u>6,451</u>	<u>262,215</u>
Restricted:		
St. Landry Bank - security deposits	27,682	26,107
St. Landry Bank - reserve account	<u>144,309</u>	<u>212,930</u>
Total restricted cash	<u>171,991</u>	<u>239,037</u>
Total cash and cash equivalents	<u>\$ 178,442</u>	<u>\$ 501,252</u>

NOTE 4 RESTRICTED INVESTMENTS

	2017	2016
Investments:		
Campus Federal Credit Union	<u>\$ 446,343</u>	<u>\$ 443,423</u>
	Bank Balance 2017	Bank Balance 2016
Investments:		
Campus Federal Credit Union	<u>\$ 446,394</u>	<u>\$ 443,423</u>

NOTE 5 PROPERTY AND EQUIPMENT

Category	Cost	Estimated Useful Lives
Building	\$ 4,361,641	40 years
Streets, sidewalks and pool	352,064	40 years
Fences, gates & signs	109,255	15 years
Interior fixtures	51,842	5 years
Furniture & lighting	399,915	10 years
Equipment	<u>155,387</u>	10 years
Total depreciable assets	5,430,104	
Less: accumulated depreciation	<u>(2,348,155)</u>	
Net depreciable assets	<u>\$ 3,081,949</u>	

EUNICE STUDENT HOUSING FOUNDATION, INC.

Notes to Financial Statements

NOTE 6 LONG TERM DEBT

	<u>2017</u>	<u>2016</u>
Note payable to Campus Federal Credit Union, issued July 1, 2014 with a principal amount of \$6,750,000, with 59 equal monthly installments of \$38,739.49 of principal and interest at a fixed rate of 4.75% with one final balloon payment of the entire remaining principal July 1, 2019.	\$6,287,926	\$6,445,794
Note payable to Campus Federal Credit Union, issued June 29, 2016 with a principal amount of \$300,000, with 35 equal monthly installments of \$4,110 of principal and interest at a fixed rate of 4% with one final balloon payment of the entire remaining principal July 1, 2019.	<u>259,021</u> 6,546,947	<u>297,090</u> 6,742,884
Less current maturities	<u>209,542</u>	<u>188,036</u>
	<u>\$6,337,405</u>	<u>\$6,554,848</u>

The annual requirements to amortize debt outstanding at August 31, 2017, are as follows:

<u>Fiscal Year Ending August 31,</u>	<u>Principal</u>	<u>Interest</u>
2018	209,542	304,649
2019	<u>6,337,405</u>	<u>270,608</u>
Totals	<u>\$6,546,947</u>	<u>\$ 575,257</u>

NOTE 7 NET DEFICIT

Management is addressing the deficit and has increased rental rates for the fiscal year ending August 31, 2017 by 3% for 4 bedroom apartments.

NOTE 8 FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used by the Foundation in estimating fair value disclosures for financial instruments:

Cash and cash equivalents – The carrying amount of cash and short-term instruments approximate fair value.

EUNICE STUDENT HOUSING FOUNDATION, INC.

Notes to Financial Statements

NOTE 8 FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Investments - Short-term debt obligations of the US Treasury and certificates of deposit which are stated at approximate fair market value.

Accounts payable and accrued expenses – The carrying amounts of accounts payable and accrued expenses approximate fair value.

OTHER SUPPLEMENTAL INFORMATION

EUNICE STUDENT HOUSING FOUNDATION, INC.

Schedule of Compensation, Benefits and Other
Payments to Agency Head or Chief Executive Officer
Year Ended December 31, 2017

Mr. Donald Mayeaux, Chairperson of Eunice Student Housing Foundation, is the Agency Head during the audit period and did not receive any compensation, benefits or other payments from Eunice Student Housing Foundation, Inc.

INTERNAL CONTROL AND COMPLIANCE

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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*

To the Board of Directors of
 Eunice Student Housing Foundation, Inc.
 Eunice, 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 financial statements of Eunice Student Housing Foundation, Inc. (a nonprofit organization), as of and for the year ended August 31, 2017, and have issued our report thereon dated August 1, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Eunice Student Housing Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Eunice Student Housing Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 a 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.

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Our consideration of internal control 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. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Eunice Student Housing Foundation, Inc.'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 matter that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

This report is intended solely for the information and use of the Board of Directors, management, others within the organization, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than those specific parties. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Dannall, Sikes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana

August 1, 2018

EUNICE STUDENT HOUSING FOUNDATION, INC.

Schedule of Prior Year Findings

Year Ended August 31, 2017

There were no prior year findings.

EUNICE STUDENT HOUSING FOUNDATION, INC.

Schedule of Findings and Questioned Costs

Year Ended August 31, 2017

Part I Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report – Financial Statements

An unmodified opinion has been issued on Eunice Student Housing Foundation, Inc.'s financial statements as of and for the fiscal year ended August 31, 2017.

Deficiencies and Material Weaknesses in Internal Control – Financial Reporting

No deficiencies or material weaknesses in internal control over financial reporting were disclosed during the audit of the financial statements.

Material Noncompliance or Other Matters-Financial Reporting

There were no instances of noncompliance or other matters material to the financial statements disclosed during the audit of the financial statements.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended August 31, 2017.

Part II Findings Relating to an Audit in Accordance with *Government Auditing Standards*

There were no deficiencies or material weaknesses in internal control over financial reporting or instances of material noncompliance noted during the audit.

Part III Findings and Questioned Costs Relating to Federal Programs

This section is not applicable for the fiscal year ended August 31, 2017.