

**AVOYELLES SOCIETY FOR THE
DEVELOPMENTALLY DISABLED, INC.**

Marksville, Louisiana

**Financial Report
Year Ended June 30, 2018**

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1-2
FINANCIAL STATEMENTS	
Statement of financial position	4
Statement of activities	5
Statement of cash flows	6
Notes to financial statements	7-12
SUPPLEMENTAL SCHEDULES	
Statement of functional expenses	14
List of board members	15
INTERNAL CONTROL, COMPLIANCE AND OTHER MATTERS	
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 <i>Government Auditing Standards</i>	17-18
Schedule of current and prior year audit findings and management's corrective action plan	19

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Avoyelles Society for the Developmentally Disabled, Inc.
Marksville, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Avoyelles Society for the Developmentally Disabled, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

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 audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 organization'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 organization'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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Avoyelles Society for the Developmentally Disabled, Inc. as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules on pages 14 through 15 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we do not express an opinion or provide any other assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2018, on our consideration of Avoyelles Society for the Developmentally Disabled, Inc.'s internal control over financial reporting and 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 the 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 Avoyelles Society for the Developmentally Disabled, Inc.'s internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
December 27, 2018

FINANCIAL STATEMENTS

AVOYELLES SOCIETY FOR THE DEVELOPMENTALLY DISABLED, INC.
Marksville, Louisiana

Statement of Financial Position
June 30, 2018

ASSETS

Current assets:	
Cash	\$ 7,232
Accounts receivable	<u>14,997</u>
Total current assets	<u>22,229</u>
Fixed assets:	
Fixed assets	805,293
Less: accumulated depreciation	<u>(411,712)</u>
Total fixed assets, net	<u>393,581</u>
Total assets	<u>\$ 415,810</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 9,264
Accrued expenses	1,305
Due to others	955
Notes payable - current portion	17,895
Deferred revenue	<u>1,035</u>
Total current liabilities	30,454
Long-term liabilities:	
Notes payable	<u>65,940</u>
Total liabilities	<u>96,394</u>
Net assets:	
Unrestricted	<u>319,416</u>
Total liabilities and net assets	<u>\$ 415,810</u>

The accompanying notes are an integral part of the basic financial statements.

AVOYELLES SOCIETY FOR THE DEVELOPMENTALLY DISABLED, INC.
Marksville, Louisiana

Statement of Activities
For the Year Ended June 30, 2018

Changes in unrestricted net assets:	
Revenues, gains and other support:	
Grants	\$ 280,090
Special events	26,125
Client service	33,191
Private pay	7,536
In-kind contribution	152,748
Miscellaneous revenue	<u>3,429</u>
Total revenues, gains and other support	<u>503,119</u>
Expenses and losses:	
Program services -	
Adult day services	280,350
Client service activities	24,791
Support services -	
Fundraiser expense	1,133
Management and general	<u>91,236</u>
Total expenses and losses	<u>397,510</u>
Change in net assets	105,609
Net assets, beginning of year	<u>213,807</u>
Net assets, end of year	<u><u>\$ 319,416</u></u>

The accompanying notes are an integral part of the basic financial statements.

AVOYELLES SOCIETY FOR THE DEVELOPMENTALLY DISABLED, INC.
Marksville, Louisiana

Statement of Cash Flows
For the Year Ended June 30, 2018

Cash flows from operating activities:	
Change in net assets	\$ 105,609
Reconciliation of change in net assets to net cash provided by operating activities:	
Depreciation	27,330
In-kind contribution	(152,748)
Decrease in accounts receivables	6,942
Increase in accounts payable	2,622
Increase in accrued expenses	773
Increase in deferred revenues	<u>1,035</u>
Net cash used by operating activities	<u>(8,437)</u>
Cash flows from investing activities:	
Purchase of equipment	<u>(26,489)</u>
Cash flows from financing activities:	
Payments on note payable	(7,877)
Proceeds from debt	<u>10,495</u>
Net cash provided by financing activities	<u>2,618</u>
Net decrease in cash	(32,308)
Cash, beginning of year	<u>39,540</u>
Cash, end of year	<u>\$ 7,232</u>
Supplemental disclosure:	
Interest paid	<u>\$ 5,083</u>
Vehicles acquired through non-cash transaction	<u>\$ 152,748</u>

The accompanying notes are an integral part of the basic financial statements.

AVOYELLES SOCIETY FOR THE DEVELOPMENTALLY DISABLED, INC.
Marksville, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

A. Nature of Organization and Operations

The Avoyelles Society for the Developmentally Disabled, Inc. is a nonprofit organization. The Society was formed in 1968 to provide day services for and assistance to the adult handicapped residents of Avoyelles Parish, Louisiana. The Society participates as a provider agency in the Department of Health and Hospitals Title XIX Day Developmental Training Services.

B. Financial Statement Presentation

The Avoyelles Society for the Developmentally Disabled, Inc. reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. The financial statements of the corporation are presented on the accrual basis of accounting.

D. Cash

Cash and cash equivalents is comprised of interest-bearing deposits which are stated at costs, which approximates market. All short-term investments are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and at the date of purchase, they have a maturity date no longer than three months.

E. Income Taxes

Income taxes are not provided for in the financial statements since the organization is exempt from federal and state income taxes under section 501 (c)(3) of the Internal Revenue Code and similar state provisions. The organization is not classified as a private foundation. Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Avoyelles Society for the Developmentally Disabled, Inc. and recognize a tax liability (or asset) if the Avoyelles Society for the Developmentally Disabled, Inc. has undertaken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Avoyelles Society for the Developmentally Disabled, Inc. and has concluded that as of June 30, 2018, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. Avoyelles Society for the Developmentally

AVOYELLES SOCIETY FOR THE DEVELOPMENTALLY DISABLED, INC.
Marksville, Louisiana

Notes to Financial Statements

Disabled, Inc. is subject to routing audit by taxing jurisdictions; however, there are currently no audits for any tax period in progress.

F. Fixed Assets

Fixed assets are recorded at historical cost. It is the Avoyelles Society for the Developmentally Disabled, Inc.'s policy to capitalize all fixed assets. Fixed assets are being depreciated over their estimated useful lives using the straight-line method. The range of estimated useful lives is as follows:

Buildings and improvements	30 years
Furniture and fixtures	3-5 years
Machinery and equipment	5-8 years
Training equipment	5-8 years
Transportation equipment	4 years

G. Compensated Absences

Vacation and sick leave are recorded as expenditures of the period in which paid. Employees accrued balances do not carry forward from year to year.

H. Public Support and Revenue

Avoyelles Society for the Developmentally Disabled, Inc. receives funding primarily from Medicaid.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

I. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 support and expenses during the reporting period. These estimates include assessing the collectability of accounts receivable and the useful lives and impairment of tangible and intangible assets, among others. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from those estimates.

AVOYELLES SOCIETY FOR THE DEVELOPMENTALLY DISABLED, INC.
Marksville, Louisiana

Notes to Financial Statements

J. Functional Allocation of Expenses

The costs of providing various program and other activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

K. Advertising Costs

The Avoyelles Society of the Developmentally Disabled, Inc. uses advertising to promote its program amongst the audience its serves. Advertising costs are expensed as incurred. Advertising expense for the year ended June 30, 2018 was \$1,813.

L. Donated services and materials

Contributed services are recognized at fair value if the service received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in the expenses or additions to property and equipment. The Avoyelles Society of the Developmentally Disabled, Inc. received three transportation vans in the amount of \$179,703 during the year ended June 30, 2018, in which they organization paid only \$26,955. The amount of \$152,748 is recorded in the financial statements as an in-kind contribution.

No amounts have been included in the financial statements for the donated services of volunteers because the criteria for recognition of such volunteer efforts have not been satisfied.

M. Revenue Recognition

The Avoyelles Society of the Developmentally Disabled, Inc. revenues come from Medicaid and grants and are recorded or accrued as revenues when earned. All other revenues are recorded when received.

(2) Concentration of Credit Risks

The Avoyelles Society for the Developmentally Disabled, Inc.'s cash is deposited in multiple financial institutions. Cash accounts at June 30, 2018 are insured by the FDIC up to \$250,000. Cash at June 30, 2018 did not exceed the FDIC limit.

AVOYELLES SOCIETY FOR THE DEVELOPMENTALLY DISABLED, INC.
 Marksville, Louisiana

Notes to Financial Statements

(3) Accounts Receivable and Allowance for Doubtful Accounts

At June 30, 2018, accounts receivable of \$14,997 consisted of amounts due from the Medical Assistance Program – MR/DD Waiver Services. The organization considers this receivable to be fully collectible; accordingly, no allowance for doubtful accounts is recorded in these financial statements.

(4) Grants

The Society received the following grants:

MR/DD Waiver Services	\$ 244,200
Department of Transportation and Development	20,000
United Way	13,637
EDS	2,157
CFC	<u>96</u>
Total	<u>\$ 280,090</u>

(5) Fixed Assets

A summary of fixed assets is as follows:

Land	\$ 2,000
Buildings and improvements	464,908
Furniture and fixtures	3,753
Machinery and equipment	54,109
Training equipment	12,880
Transportation equipment	<u>267,643</u>
Total	<u>805,293</u>
Less accumulated depreciation	<u>(411,712)</u>
Fixed assets, net	<u>\$ 393,581</u>

Depreciation expense for the year ended June 30, 2018 was \$27,330.

(6) Notes Payable

On December 1, 2016, the Society entered into a loan with the Cottonport Bank in the amount of \$85,478. The note payable is due in monthly installments of \$952 with a lump sum payment due at maturity, with an interest rate of 5.75 percent and a maturity date of December 2021.

AVOYELLES SOCIETY FOR THE DEVELOPMENTALLY DISABLED, INC.
 Marksville, Louisiana

Notes to Financial Statements

The note is secured by the land and building listed in Note 5 and has principal outstanding of \$73,340 at June 30, 2018. Future debt service requirements are:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 7,400	\$ 4,024	\$ 11,424
2020	7,837	3,587	11,424
2021	8,300	3,124	11,424
2022	49,803	1,380	51,183
Totals	\$ 73,340	\$ 12,115	\$ 85,455

On September 14, 2017, the Society entered into a short-term loan with the Cottonport Bank in the amount of \$10,495. The note payable is due in one lump sum payment on September 14, 2018, plus accrued interest assessed at 6.00 percent, however, by the terms of the agreement, the note is due immediately upon demand. The note is classified as a short-term liability in the statement of financial position.

(7) Line of Credit

On June 22, 2012, the Society was approved for a line of credit in the amount of \$50,000 with The Cottonport Bank. There were no funds drawn on the line of credit as of June 30, 2018.

(8) Compensation Benefits and Other Payments to Directors

A detail of compensation, benefits and other payments made to Tiffany Crooks (Director from July 1, 2017 – February 15, 2018) and Ashley Martin (Director from February 16, 2018 – June 30, 2018) for the year ended June 30, 2018 is as follows:

Director Tiffany Crooks		
Purpose		Amount
Salary		\$ 24,375
Benefits - payroll taxes		1,895
Total		\$ 26,270
Director Ashley Martin		
Purpose		Amount
Salary		\$ 10,614
Benefits - payroll taxes		847
Total		\$ 11,461

AVOYELLES SOCIETY FOR THE DEVELOPMENTALLY DISABLED, INC.
Marksville, Louisiana

Notes to Financial Statements

(9) Deferred Annuity Contract

The Society established a tax-deferred annuity arrangement, effective January 1, 2011, under the provisions of Section 403(B) of the Internal Revenue Code. Under the plan, eligible employees may elect a salary reduction up to the maximum allowable annual amount as established by Section 402(g) of the Internal Revenue Code. No employer contributions are made to the plan.

(10) Litigation

There was no litigation pending against the Avoyelles Society for the Developmentally Disabled, Inc. at June 30, 2018.

(11) Subsequent Event Review

Subsequent events were evaluated through the date of the independent auditor's report, the date which the financial statements were available to be issued.

(12) Recent Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update No. 2014-9, Revenue from Contracts with Customers (Topic 606). This guidance is a comprehensive new revenue recognition standard that will supersede substantially all existing revenue recognition guidance. The new standard's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be more entitled in exchange for those goods or services. In doing so, companies will need to use more judgment and make more estimates than under existing guidance. These may include identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. On July 9, 2015, the FASB agreed to delay the effective date of the standard by one year. Therefore, the new standard will be effective for annual periods beginning after June 30, 2019 and is not expected to have a significant impact on the Avoyelles Society for the Developmentally Disabled, Inc.'s financial statements.

In August 2016, the FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) to improve the current net asset classification requirements and the information presented in financial statements and notes about a not-for profit entity's liquidity, financial performance and cash flows. The amendments in this Update make certain improvements that address many, but not all, of the identified issues about the current financial reporting for not-for-profit entities the amendment is effective for fiscal years beginning after December 15, 2017. The District is evaluating the potential impact of the amendment on the Avoyelles Society for the Developmentally Disabled, Inc.'s financial statements.

SUPPLEMENTAL SCHEDULES

AVOYELLES SOCIETY OF THE DEVELOPMENTALLY DISABLED, INC.
 Marksville, Louisiana

Statement of Functional Expenses
 For the Year Ended June 30, 2018

	<u>Program Services</u>		<u>Support Services</u>		<u>Total</u>
	<u>Adult Day Services</u>	<u>Client Services</u>	<u>Administrative Expenses</u>	<u>Fundraising Expenses</u>	
Expenses:					
Salaries	\$ 155,240	\$ -	34,990	\$ -	\$ 190,230
Payroll taxes	12,654	-	2,742	-	15,396
Accounting	-	-	22,620	-	22,620
Advertising	-	-	1,813	-	1,813
Bank charges and fees	-	-	1,105	-	1,105
Depreciation expense	27,330	-	-	-	27,330
Dues and memberships	-	-	1,104	-	1,104
Employee travel	1,451	-	-	-	1,451
Insurance	47,134	-	-	-	47,134
Interest expense	-	-	5,083	-	5,083
Licenses and permits	-	-	894	-	894
Maintenance and repairs	10,276	-	-	-	10,276
Miscellaneous expense	3,297	-	-	-	3,297
Office supplies	-	-	7,472	-	7,472
Supplies	6,796	3,331	13,413	1,133	24,673
Telephone	2,306	-	-	-	2,306
Transportation	-	21,460	-	-	21,460
Utilities	13,866	-	-	-	13,866
Totals	<u>\$ 280,350</u>	<u>\$ 24,791</u>	<u>\$ 91,236</u>	<u>\$ 1,133</u>	<u>\$ 397,510</u>

AVOYELLES SOCIETY FOR THE DEVELOPMENTALLY DISABLED, INC.
Marksville, Louisiana

List of Board Members
For the Year Ended June 30, 2018

<u>Board Member</u>	<u>Address</u>
Philip Bartel President	229 Highway 115 Mansura, LA 71350
Patrick Bordelon Vice President	143 Fins & Feathers Marksville, LA 71351
Darla Borden Secretary / Treasurer	P.O. Box 445 Mansura, LA 71350
Van Roy Board Member	P.O. Box 501 Marksville, LA 71351
John Gagnard Board Member	12526 Hwy 452 Marksville, LA 71351
Brenda Descant Board Member	1453 Shirley Rd. Bunkie, LA 71322
Oscar Goody Board Member	P.O. Box 271 Moreauville, LA 71355
Scotty Scott Board Member	P.O. Box 216 Cottonport, LA 71327
Hannelore (Honey) Dubroc Board Member	P.O. Box 70 Moreauville, LA 71355

There are no expiration dates on board members' terms.

**INTERNAL CONTROL,
COMPLIANCE
AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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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*

The Board of Directors
Avoyelles Society for the Developmentally Disabled, Inc.
Marksville, 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 Avoyelles Society of the Developmentally Disabled, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 27, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Avoyelles Society for the Developmentally Disabled, Inc.'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 Avoyelles Society for the Developmentally Disabled, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Avoyelles Society for the Developmentally Disabled, Inc.'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 organization'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.

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 Avoyelles Society for the Developmentally Disabled, Inc.'s financial statements are free from 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 results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
December 27, 2018

AVOYELLES SOCIETY FOR THE DEVELOPMENTALLY DISABLED, INC.
Marksville, Louisiana

Schedule of Current and Prior Year Audit Findings
And Management's Corrective Action Plan
Year Ended June 30, 2018

Part I: Current Year Findings and Management's Corrective Action Plan

A. Internal Control Over Financial Reporting

There were no deficiencies in internal control over financial reporting.

B. Compliance

There were no instances of compliance that were required to be reported.

Part II: Prior year Findings

A. Internal Control Over Financial Reporting

There were no deficiencies in internal control over financial reporting.

B. Compliance

There were no instances of compliance that were required to be reported.