

**REPORT OF THE AUDIT OF THE
PULASKI COUNTY
SHERIFF**

**For The Year Ended
December 31, 2017**



**MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS
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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

The Honorable Steve Kelley, Pulaski County Judge/Executive
The Honorable Greg Speck, Pulaski County Sheriff
Members of the Pulaski County Fiscal Court

Independent Auditor's Report

Report on the Financial Statement

We have audited the accompanying Statement of Receipts, Disbursements, and Excess Fees - Regulatory Basis of the Sheriff of Pulaski County, Kentucky, for the year ended December 31, 2017, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting practices prescribed or permitted by the laws of Kentucky to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Audit Guide for County Fee Officials* issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement.

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

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The Honorable Steve Kelley, Pulaski County Judge/Executive
The Honorable Greg Speck, Pulaski County Sheriff
Members of the Pulaski County Fiscal Court

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the Pulaski County Sheriff on the basis of the accounting practices prescribed or permitted by the laws of Kentucky to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Pulaski County Sheriff, as of December 31, 2017, or changes in financial position or cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the receipts, disbursements, and excess fees of the Pulaski County Sheriff for the year ended December 31, 2017, in accordance with the basis of accounting practices prescribed or permitted by the Commonwealth of Kentucky as described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2018, on our consideration of the Pulaski County Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely 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. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Pulaski County Sheriff's internal control over financial reporting and compliance.

Respectfully submitted,



Mike Harmon
Auditor of Public Accounts

November 16, 2018

PULASKI COUNTY
GREG SPECK, SHERIFF
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES - REGULATORY BASIS

For The Year Ended December 31, 2017

Receipts

Federal Grants		\$ 22,836
State - Kentucky Law Enforcement Foundation Program Fund (KLEFPF)		174,384
State Fees For Services:		
Conveying Prisoners	\$ 200,833	
Conveying Juveniles	5,294	
Psychiatric Transports	1,631	
Sheriff Fees	3,660	
Cabinet For Health And Family Services	28,256	
Traffic School	<u>3,835</u>	243,509
Circuit Court Clerk:		
Fines and Fees Collected		7,841
Fiscal Court		1,067,000
County Clerk - Delinquent Taxes		46,547
Commission On Taxes Collected		966,562
Fees Collected For Services:		
Auto Inspections	21,290	
Accident and Police Reports	2,464	
Serving Papers	65,086	
Carry Concealed Deadly Weapon Permits	26,188	
Mental Inquest Transport	1,098	
Investigations	508	
School Resource Officer Fee	99,840	
Adanta	36,347	
Fingerprint Fee	<u>2,360</u>	255,181
Other:		
Add-On Fees	95,229	
Jury Meal Reimbursement	432	
Wrecker Reimbursement	1,465	
Restitution	3,522	
Miscellaneous	5,038	
Auction Proceeds	11,600	
Insurance Proceeds	<u>71,118</u>	188,404

The accompanying notes are an integral part of this financial statement.

PULASKI COUNTY
 GREG SPECK, SHERIFF
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES - REGULATORY BASIS
 For The Year Ended December 31, 2017
 (Continued)

Receipts (Continued)

Interest Earned	\$	506
Borrowed Money:		
State Advancement		<u>200,000</u>
Total Receipts		3,172,770

Disbursements

Operating Disbursements and Capital Outlay:

Personnel Services-		
Deputies' Salaries	\$ 1,602,518	
Part-Time Salaries	124,851	
Other Salaries	236,483	
Employee Benefits-		
KLEFPF Retirement to Fiscal Court	39,676	
Contracted Services-		
Advertising	<u>725</u>	\$ 2,004,253
Materials and Supplies-		
Office Materials and Supplies	15,876	
Postage	7,141	
Telephone	42,530	
Camera and Film	289	
K-9 and Supplies	3,592	
Uniforms	<u>18,247</u>	87,675
Auto Expense-		
Gasoline	83,990	
Maintenance and Repairs	<u>73,810</u>	157,800
Other Charges-		
Executions	7,209	
Investigations	14,272	
Jury Meal Expense	277	
Bond	1,654	
Office Expense	8,295	
Rental (Tower/Storage)	2,432	
Return of Fugitive Expense	6,745	
Training	13,383	
Wrecker Expense	3,910	
Computer Expense	5,101	
Reimbursements	4,557	
Auction Expense	<u>6,469</u>	74,304

The accompanying notes are an integral part of this financial statement.

PULASKI COUNTY
 GREG SPECK, SHERIFF
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES - REGULATORY BASIS
 For The Year Ended December 31, 2017
 (Continued)

Disbursements (Continued)

Operating Disbursements and Capital Outlay: (Continued)

Helicopter Expense:

Insurance	\$	7,093	
Maintenance		2,200	
Fuel		<u>1,257</u>	\$ 10,550

Capital Outlay:

Deputies' Equipment		41,356	
Vehicles and Equipment		157,814	
Office Equipment		32,521	
Helicopter Equipment		1,174	
Radios		<u>18,964</u>	251,829

Debt Service:

State Advancement			200,000
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Total Disbursements			<u>\$ 2,786,411</u>
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Net Receipts			386,359
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Less: Statutory Maximum			<u>105,343</u>
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Excess Fees			281,016
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Less: Training Incentive Benefit			<u>3,039</u>
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Excess Fees Due County for 2017			277,977
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Less: Current Year Portion of Vehicle Account Balance (Note 4)			<u>(104,724)</u>
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Excess Fees Due County For 2017			173,253
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Payments to Fiscal Court -	December 31, 2017	100,000	
	February 27, 2018	73,249	
	April 27, 2018	<u>4</u>	<u>173,253</u>

Balance Due Fiscal Court at Completion of Audit			<u>\$ 0</u>
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The accompanying notes are an integral part of this financial statement.

PULASKI COUNTY
NOTES TO FINANCIAL STATEMENT

December 31, 2017

Note 1. Summary of Significant Accounting Policies

A. Fund Accounting

A fee official uses a fund to report on the results of operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fee official uses a fund for fees to account for activities for which the government desires periodic determination of the excess of receipts over disbursements to facilitate management control, accountability, and compliance with laws.

B. Basis of Accounting

KRS 64.820 directs the fiscal court to collect any amount, including excess fees, due from the sheriff as determined by the audit. KRS 134.192 requires the sheriff to settle excess fees with the fiscal court at the time he files his annual settlement with the fiscal court on or before September 1 of each year. KRS 64.830 requires an outgoing sheriff to settle excess fees with the fiscal court of his county by March 15 immediately following the expiration of his term of office.

The financial statement has been prepared on a regulatory basis of accounting, which demonstrates compliance with the laws of Kentucky and is a special purpose framework. Under this regulatory basis of accounting, receipts and disbursements are generally recognized when cash is received or disbursed, with the exception of accrual of the following items (not all-inclusive) at December 31 that may be included in the excess fees calculation:

- Interest receivable
- Collection on accounts due from others for 2017 services
- Reimbursements for 2017 activities
- Tax commissions due from December tax collections
- Payments due other governmental entities for payroll
- Payments due vendors for goods or services provided in 2017

The measurement focus of a fee official is upon excess fees. Remittance of excess fees is due to the county treasurer in the subsequent year.

C. Cash and Investments

KRS 66.480 authorizes the sheriff's office to invest in obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System and Other Post-Employment Benefits

The county official and employees have elected to participate, pursuant to KRS 78.530, in the County Employees Retirement System (CERS), which is administered by the Board of Trustees of the Kentucky Retirement Systems (KRS). This is a cost-sharing, multiple-employer, defined benefit pension plan, which covers all eligible full-time employees and provides for retirement, disability, and death benefits to plan members. Benefit contributions and provisions are established by statute.

PULASKI COUNTY
NOTES TO FINANCIAL STATEMENT
December 31, 2017
(Continued)

Note 2. Employee Retirement System and Other Post-Employment Benefits (Continued)

The Sheriff's Kentucky Law Enforcement Foundation Program Fund (KLEFPF) retirement contribution for calendar year 2015 was \$29,791, calendar year 2016 was \$34,337, and calendar year 2017 was \$39,676.

Nonhazardous

Nonhazardous covered employees are required to contribute five percent of their salary to the plan. Nonhazardous covered employees who begin participation on or after September 1, 2008, are required to contribute six percent of their salary to be allocated as follows: five percent will go to the member's account and one percent will go to the KRS insurance fund.

In accordance with Senate Bill 2, signed by the Governor on April 4, 2013, plan members who began participating on, or after, January 1, 2014, were required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members in the plan contribute a set percentage of their salary each month to their own accounts. Nonhazardous members contribute five percent of their annual creditable compensation and one percent to the health insurance fund which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by the Board based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. A member's account is credited with a four percent employer pay credit. The employer pay credit represents a portion of the employer contribution.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Nonhazardous employees who begin participation on or after September 1, 2008, must meet the rule of 87 (member's age plus years of service credit must equal 87, and the member must be a minimum of 57 years of age) or the member is age 65, with a minimum of 60 months service credit.

The county's contribution rate for nonhazardous employees was 18.68 percent for the first six months and 19.18 percent for the last six months.

Hazardous

Hazardous covered employees are required to contribute eight percent of their salary to the plan. Hazardous covered employees who begin participation on or after September 1, 2008, are required to contribute nine percent of their salary to be allocated as follows: eight percent will go to the member's account and one percent will go to the KRS insurance fund.

In accordance with Senate Bill 2, signed by the Governor on April 4, 2013, plan members who began participating on, or after, January 1, 2014, were required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members in the plan contribute a set percentage of their salary each month to their own accounts. Hazardous members contribute eight percent of their annual creditable compensation and one percent to the health insurance fund which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by the Board based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. A hazardous member's account is credited with a seven and one-half percent employer pay credit. The employer pay credit represents a portion of the employer contribution.

PULASKI COUNTY
 NOTES TO FINANCIAL STATEMENT
 December 31, 2017
 (Continued)

Note 2. Employee Retirement System and Other Post-Employment Benefits (Continued)

Hazardous (Continued)

Aspects of benefits for hazardous employees include retirement after 20 years of service or age 55. For hazardous employees who begin participation on or after September 1, 2008, aspects of benefits include retirement after 25 years of service or the member is age 60, with a minimum of 60 months of service credit.

The county's contribution rate for hazardous employees was 31.06 percent for the first six months and 31.55 percent for the last six months.

Health Insurance Coverage

CERS also provides post-retirement health care coverage as follows:

For members participating prior to July 1, 2003, years of service and respective percentages of the maximum contribution are as follows:

Years of Service	% Paid by Insurance Fund	% Paid by Member through Payroll Deduction
20 or more	100%	0%
15-19	75%	25%
10-14	50%	50%
4-9	25%	75%
Less than 4	0%	100%

As a result of House Bill 290 (2004 General Assembly), medical insurance benefits are calculated differently for members who began participation on or after July 1, 2003. Once members reach a minimum vesting period of ten years, non-hazardous employees whose participation began on or after July 1, 2003, earn ten dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. This dollar amount is subject to adjustment annually based on the retiree cost of living adjustment, which is updated annually due to changes in the Consumer Price Index.

Hazardous employees whose participation began on or after July 1, 2003, earn 15 dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Upon the death of a hazardous employee, the employee's spouse receives ten dollars per month for insurance benefits for each year of the deceased employee's hazardous service. This dollar amount is subject to adjustment annually based on the retiree cost of living adjustment, which is updated annually due to changes in the Consumer Price Index.

KRS issues a publicly available annual financial report that includes financial statements and required supplementary information on CERS. This report may be obtained by writing the Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, KY 40601-6124, or by telephone at (502) 564-4646.

PULASKI COUNTY
NOTES TO FINANCIAL STATEMENT
December 31, 2017
(Continued)

Note 3. Deposits

The Pulaski County Sheriff maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC) as required by KRS 66.480(1)(d). According to KRS 41.240, the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the sheriff and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a depository institution failure, the sheriff's deposits may not be returned. The Pulaski County Sheriff does not have a deposit policy for custodial credit risk but rather follows the requirements of KRS 66.480(1)(d) and KRS 41.240. As of December 31, 2017, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

Note 4. Vehicle Account

The Pulaski County Sheriff's office acquired the financial responsibility of the department vehicles in July 2006 from the Pulaski County Fiscal Court. In February 2008, the fiscal court officially approved this action. This policy was amended and approved by fiscal court on May 1, 2011. The financial responsibilities include, but are not limited to, vehicle purchases, purchase of gasoline, maintenance of vehicles, vehicle equipment, vehicle parts, labor, and repair and maintenance costs and necessary fleet operational expenses.

The sheriff's fee account is responsible for paying the sheriff's vehicle account for mileage used by the deputies. Should funds not be readily available in the fee account to pay the monthly mileage expense the fee account shall make such payment when the funds become available. The balance of the sheriff's vehicle account can be carried forward from year to year to allow for payment of any maintenance, fuel bills, or any other vehicle responsibilities and is not required to be turned over to the fiscal court as excess fees.

On January 1, 2017, the vehicle account had a carryover balance from the prior year of \$305,847. A total of \$369,345 in mileage reimbursements were transferred from the fee account into the vehicle account, which is not included as an expenditure of the fee account. Interest in the amount of \$78 was earned and insurance proceeds of \$71,118 were receipted into the vehicle account. The sheriff disbursed \$335,816 in gasoline, oil, vehicle maintenance, vehicle equipment, radios and vehicle purchases from this account. The balance as of December 31, 2017, was \$410,572. During the year, the vehicle account balance increased \$104,725 from the prior year.

Note 5. Seized Account

The Pulaski County Sheriff's office maintains a seized account. The account is used to hold seized monies until disbursement orders are received via court order. On January 1, 2017, the seized account had a balance of \$97,640. During 2017, the sheriff received \$49 in interest and there were no disbursements, leaving an ending balance of \$97,689 on December 31, 2017.

PULASKI COUNTY
NOTES TO FINANCIAL STATEMENT
December 31, 2017
(Continued)

Note 6. Federal Account

The Pulaski County Sheriff's office maintains a federal seizure account. This account is used to hold monies seized during federal investigations until disbursement orders are received via court order. The beginning balance of the account was \$21,544 on January 1, 2017. During 2017, the sheriff received \$6,686 from seizures. The account had \$3,609 of drug eradication disbursements. The ending balance at December 31, 2017, was \$24,621.

Note 7. Forfeiture Account

The Pulaski County Sheriff's office maintains a forfeiture account, which represents the Pulaski County Sheriff's office equitable sharing in forfeited assets seized during arrests. The forfeiture account had a beginning balance of \$102,783 on January 1, 2017. During 2017, the sheriff's office received \$25,208 and expended \$29,283, leaving an ending balance of \$98,708 on December 31, 2017.

Note 8. Donation Account

The Pulaski County Sheriff's office maintains a donation account to account for private and public donations to the sheriff's office. On January 1, 2017, the balance was \$540. During 2017, the sheriff's office received \$6,026 and disbursed \$572. The balance in the account was \$5,994 as of December 31, 2017.

Note 9. Federal Grants

- A. The Pulaski County Sheriff's office received two grants from the U.S. Marshall Service totaling \$12,242 for overtime. Current year receipts of \$6,105 were received and expended during the year. The grant periods covered were October 1, 2016 to September 30, 2017 and October 1, 2017 to September 30, 2018.
- B. The Pulaski County Sheriff's office received a lake patrol grant from the U.S. Army Corp of Engineers in the amount of \$9,560 to patrol Lake Cumberland for the period May 15, 2017 through September 7, 2017.
- C. The Pulaski County Sheriff's office received a park patrol grant from the USDA Forest Service in the amount of \$5,000 to patrol Daniel Boone National Forest for the period January 1, 2017 to September 30, 2017.
- D. The Pulaski County Sheriff's office received a grant from the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) in the amount of \$2,171 for the purpose of reimbursement of overtime salary incurred providing resources to assist ATF.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

The Honorable Steve Kelley, Pulaski County Judge/Executive
The Honorable Greg Speck, Pulaski County Sheriff
Members of the Pulaski County Fiscal Court

Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of The Financial
Statement Performed In Accordance With *Government Auditing Standards*

Independent Auditor's Report

We have audited, 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, the Statement of Receipts, Disbursements, and Excess Fees - Regulatory Basis of the Pulaski County Sheriff for the year ended December 31, 2017, and the related notes to the financial statement and have issued our report thereon dated November 16, 2018. The Pulaski County Sheriff's financial statement is prepared on a regulatory basis of accounting, which demonstrates compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Pulaski County Sheriff'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 statement, but not for the purpose of expressing an opinion on the effectiveness of the Pulaski County Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Pulaski County Sheriff'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of The Financial
Statement Performed In Accordance With *Government Auditing Standards*
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pulaski County Sheriff's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mike Harmon", with a long horizontal line extending to the right.

Mike Harmon
Auditor of Public Accounts

November 16, 2018