Forvis Mazars Report to the Board of County Commissioners

Hernando County

Results of the 2024 Financial Statement Audit, Including Required Communications

June 26, 2025

Required Communications Regarding Our Audit Strategy & Approach (AU-C 260)

Overview & Responsibilities

Matter	Discussion
Scope of Our Audit	This report covers audit results related to the County's financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information (the "financial statements"):
	 As of and for the year ended September 30, 2024
	 Conducted in accordance with our contract dated January 14, 2025
Our Responsibilities	Forvis Mazars is responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP)
Audit Scope & Inherent Limitations to Reasonable Assurance	An audit performed in accordance with auditing standards generally accepted in the United States of America (GAAS), <i>Government Auditing Standards</i> issued by the Comptroller General of the United States (GAGAS), the Uniform Guidance and the Florida Single Audit Act is designed to obtain reasonable, rather than absolute, assurance about the financial statements. The scope of our audit tests was established in relation to the opinion units being audited and did not include a detailed audit of all transactions.
Extent of Our Communication	In addition to areas of interest and noting prior communications made during other phases of the engagement, this report includes communications required in accordance with GAAS that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process, including audit approach, results, and internal control. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.
Independence	The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.



Matter	Discussion
Your Responsibilities	Our audit does not relieve management or those charged with governance of your responsibilities. Your responsibilities and ours are further referenced in our contract.
Distribution Restriction	This communication is intended solely for the information and use of the following and is not intended to be, and should not be, used by anyone other than these specified parties: • The Board of County Commissioners, and Management • Others within the County
	Tampa, FL June 26, 2025

Government Auditing Standards

Matter	Discussion
Additional GAGAS Reporting	 We also provided reports as of September 30, 2024 on the following as required by GAGAS: Internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with GAGAS
Reporting Limitations	Our consideration of internal control over financial reporting and our tests of compliance were not designed with an objective of forming an opinion on the effectiveness of internal control or on compliance, and accordingly, we do not express such an opinion.

Uniform Guidance and Florida Single Audit Act Overview & Responsibilities

Matter	Discussion
Scope of Our Audit	We also provided reports as of September 30, 2024, on the following as required by U.S. Office of Management and Budget (OMB) Uniform Guidance and Florida Single Audit Act and Opinion on compliance for each major federal award program and major state project
	Report on internal control over compliance
	Schedule of Expenditures of Federal Awards and State Financial Assistance
Audit Scope & Inherent Limitations to Reasonable Assurance	A compliance audits performed in accordance with OMB Uniform Guidance and the Florida Single Audit Act are designed to obtain reasonable, rather than absolute, assurance about whether noncompliance with the types of compliance requirements described in the OMB Compliance Supplement and Florida Single Audit Act that could have a direct and material effect on a major federal award program and major state project occurred.

Other Information Accompanying the Audited Financial Statements

The audited financial statements are presented along with management's Annual Comprehensive Financial Report. Management, or those charged with governance, is responsible for preparing the Annual Comprehensive Financial Report.

We were not engaged to audit the Required Supplementary Information (RSI) or Supplemental Schedules contained in the Annual Comprehensive Financial Report, and as a result, our opinion does not provide assurance as to the completeness and accuracy of the information contained therein.

As part of our procedures, we read the entire report to determine if financial information discussed in sections outside the financial statements materially contradicts the audited financial statements. If we identify any such matters, we bring them to management's attention and review subsequent revisions.

Auditor Objectives Related to Other Information

Our objectives related to the other information accompanying the audited financial statements were to:

- Consider whether a material inconsistency exists between the other information and the financial statements
- · Remain alert for indications that:
 - A material inconsistency exists between the other information and the auditor's knowledge obtained in the audit, or
 - o A material misstatement of fact exists or the other information is otherwise misleading
- Respond appropriately when we identify that such material inconsistencies appear to exist or when we
 otherwise become aware that other information appears to be materially misstated. Potential responsive actions
 would include requesting management to correct the identified inconsistency
- Include the appropriate communication in our auditor's report, disclosing the procedures performed on the Other Information, as well as the results obtained
 - We did not identify any material inconsistencies between the other information and the financial statements.

Qualitative Aspects of Significant Accounting Policies & Practices

Significant Accounting Policies

Significant accounting policies are described in Note 1 of the audited financial statements.

With respect to new accounting standards adopted during the year, we call to your attention the following topics detailed in the following pages:

No matters are reportable

Unusual Policies or Methods

With respect to significant unusual accounting policies or accounting methods used for significant unusual transactions (significant transactions outside the normal course of business or that otherwise appear to be unusual due to their timing, size, or nature), we noted the following:

No matters are reportable

Alternative Accounting Treatments

We had discussions with management regarding alternative accounting treatments within GAAP for policies and practices for material items, including recognition, measurement, and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, as follows:

No matters are reportable



Management Judgments & Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. Significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates include:

- Useful Lives of Capital Assets
- Self-Insurance Liability
- Compensated Absences
- Closure and Post-Closure Liabilities
- Net Pension Liability
- Other Postemployment Benefits ("OPEB")

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Cash and Investments
- Capital Assets
- Long-Term Liabilities
- Retirement System
- Post Employment Benefits Other than Pension

Our Judgment About the Quality of the Entity's Accounting Principles

During the course of the audit, we made the following observations regarding the Entity's application of accounting principles:

No matters are reportable

Adjustments Identified by Audit

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments that, in its judgment, are required to prevent the financial statements from being materially misstated.

A misstatement is a difference between the amount, classification, presentation, or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework.

Proposed & Recorded Adjustments

Auditor-proposed and management-recorded entries include the following:

• No matters are reportable

Uncorrected Misstatements

No uncorrected misstatements to report.

Current-Period Uncorrected Misstatements

No current-period uncorrected misstatements.



Prior-Period Uncorrected Misstatements

• No prior-period uncorrected misstatements

Other Required Communications

Disagreements with Management

The following matters involved disagreements which if not satisfactorily resolved would have caused a modified auditor's opinion on the financial statements:

No matters are reportable.

Consultation with Individuals Outside of the Engagement Team

During our audit, we encountered the following matters, for which we consulted the views of individuals outside of the engagement team:

No matters are reportable.

Consultation with Other Accountants

During our audit, we became aware that management had consulted with other accountants about the following auditing or accounting matters:

No matters are reportable.

Significant Issues Discussed with Management

Prior to Retention

During our discussion with management prior to our engagement, the following issues regarding application of accounting principles or auditing standards were discussed:

No matters are reportable.

During the Audit Process

During the audit process, the following issues were discussed or were the subject of correspondence with management:

No matters are reportable.

Difficulties Encountered in Performing the Audit

Our audit requires cooperative effort between management and the audit team. During our audit, we found significant difficulties in working effectively on the following matters:

No matters are reportable

Other Material Communications

Listed below are other material communications between management and us related to the audit:

Management representation letter (see Attachments)



Attachments

Management Representation Letter

As a material communication with management, included herein is a copy of the representation letter provided by management at the conclusion of our engagement.



Attachment A Management Representation Letter



Hernando County June 26, 2025

June 26, 2025

Representation of: Hernando County, Florida 15470 Flight Path Drive Brooksville, FL 34604

Provided to:

Forvis Mazars, LLP Certified Public Accountants 201 E. Kennedy Blvd Tampa, FL 33602

The undersigned ("We") are providing this letter in connection with Forvis Mazars' audit of our financial statements as of and for the year ended September 30, 2024.

We are also providing this letter in connection with:

• Your audit of our compliance with requirements applicable to each of our major federal awards and state financial assistance as of and for the year ended September 30, 2024

Our representations are current and effective as of the date of Forvis Mazars' report: June 26, 2025.

Our engagement with Forvis Mazars is based on our contract for services dated: January 14, 2025.

Our Responsibility & Consideration of Material Matters

We confirm that we are responsible for the fair presentation of the financial statements subject to Forvis Mazars' report in conformity with accounting principles generally accepted in the United States of America.

We are also responsible for adopting sound accounting policies; establishing and maintaining effective internal control over financial reporting, operations, and compliance; and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

Confirmation of Matters Specific to the Subject Matter of Forvis Mazars' Report

We confirm, to the best of our knowledge and belief, the following:

Broad Matters

- We have fulfilled our responsibilities, as set out in the terms of our contract, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
- We acknowledge our responsibility for the design, implementation, and maintenance of:
 - a. Internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
 - b. Internal control to prevent and detect fraud.
- We have provided you with:
 - c. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.
 - d. Additional information that you have requested from us for the purpose of the audit.
 - e. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

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- f. All minutes of the County Board meetings held through the date of this letter or summaries of actions of recent meetings for which minutes have not yet been prepared. All unsigned copies of minutes provided to you are copies of our original minutes approved by the County Board, if applicable, and maintained as part of our records.
- g. All significant contracts and grants.
- We have responded fully and truthfully to all your inquiries.

Government Auditing Standards

- We acknowledge that we are responsible for compliance with applicable laws, regulations, and provisions of contracts and grant agreements.
- We have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that have a direct and material effect on the determination of amounts in our financial statements or other financial data significant to the audit objectives.
- We have identified and disclosed to you any violations or possible violations of laws, regulations, including those pertaining to adopting, approving, and amending budgets, and provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for recognition and/or disclosure in the financial statements or for your reporting on noncompliance.
- We have taken or will take timely and appropriate steps to remedy any fraud, abuse, illegal acts, or violations of provisions of contracts or grant agreements that you or other auditors report.
- We have a process to track the status of audit findings and recommendations.
- We have identified to you any previous financial audits, attestation engagements, performance audits, or other studies related to the objectives of your audit and the corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements, or other studies.

Federal Programs (Uniform Guidance) and State Awards (Chapter 10.550, Rules of the Auditor General)

- We have identified in the schedule of expenditures of federal awards and state financial assistance, all assistance
 provided (either directly or passed through other entities) by federal and state agencies in the form of grants,
 contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, commodities, insurance,
 direct appropriations, or in any other form.
- We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.
- We have reconciled the schedule of expenditures of federal awards (SEFA) and state financial assistance to the financial statements.
- Federal and state awards related revenues and expenditures are fairly presented, both in form and content, in accordance with the applicable criteria in the entity's financial statements.
- We have identified the types of compliance requirements described in the *U.S. Office of Management and Budget* (OMB) Compliance Supplement and Department of Financial Services' State Projects Compliance Supplement regarding activities allowed or unallowed; allowable costs/cost principles; cash management; eligibility; equipment and real property management; matching, level of effort, earmarking; period of performance of federal funds; procurement and suspension and debarment; program income; reporting; subrecipient monitoring; and special tests and provisions that are applicable to each of our federal awards programs and state award projects. We have identified to you our interpretation of any applicable compliance requirements subject to varying interpretations.
- We are responsible for complying, and have complied, with the requirements of Uniform Guidance and Department of Financial Services' State Projects Compliance Supplement.
- We are responsible to understand and comply with the requirements of federal and state statutes, regulations, and the terms and conditions of federal and state awards related to each of our federal and state awards programs and have disclosed to you any and all instances of noncompliance with those requirements occurring during the period of your audit or subsequent thereto to the date of this letter of which we are aware. Except for any instances of noncompliance we have disclosed to you, we believe the entity has complied with all applicable compliance requirements.
- We are responsible for the design, implementation, and maintenance of internal controls over compliance that provide reasonable assurance we have administered each of our federal and state awards programs in compliance with federal and state statutes, regulations, and the terms and conditions of the federal and state awards.
- We have made available to you all federal and state awards (including amendments, if any) and any other
 correspondence or documentation relevant to each of our federal and state awards programs relevant to our
 compliance with applicable requirements of those programs.
- The information presented in federal and state award program financial reports and claims for advances and reimbursements is supported by the books and records from which our financial statements have been prepared.
- The costs charged to federal and state awards are in accordance with applicable cost principles.

- The reports provided to you related to federal and state awards programs are true copies of reports submitted or electronically transmitted to the federal and state awarding agencies, or the applicable payment system.
- Amounts claimed or used for matching were determined in accordance with Title 2 U.S. Code of Federal
 Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for
 Federal Awards (Uniform Guidance) regarding cost principles.
- We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the applicable compliance requirements for each of our federal and state awards programs, including any communications received from the end of the period of your audit through the date of this letter.
- We have identified to you any previous compliance audits, attestation engagements, and internal or external
 monitoring related to the objectives of your compliance audit, including findings received and corrective actions
 taken to address any significant findings and recommendations made in such audits, attestation engagements, or
 other monitoring.
- The reporting package does not contain any protected personally identifiable information.
- No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance subsequent to the period covered by the auditor's report.
- We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.

Misappropriation, Misstatements, & Fraud

- We have informed you of all current risks of a material amount that are not adequately prevented or detected by our procedures with respect to:
 - h. Misappropriation of assets.
 - Misrepresented or misstated assets, deferred outflows of resources, liabilities, deferred inflows of resources, or net position
- We have no knowledge of fraud or suspected fraud affecting the entity involving:
 - j. Management or employees who have significant roles in internal control over financial reporting, or
 - k. Others when the fraud could have a material effect on the financial statements.
- We understand that the term "fraud" includes misstatements arising from fraudulent financial reporting and misstatements arising from misappropriation of assets. Misstatements arising from fraudulent financial reporting are intentional misstatements, or omissions of amounts or disclosures in financial statements to deceive financial statement users. Misstatements arising from misappropriation of assets involve the theft of an entity's assets where the effect of the theft causes the financial statements not to be presented in conformity with accounting principles generally accepted in the United States of America.
- We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, customers, analysts, SEC or other regulators, citizens, suppliers or others.
- We have assessed the risk that the financial statements may be materially misstated as a result of fraud and disclosed to you any such risk identified.

Related Parties

- We have disclosed to you the identity of all of the entity's related parties and all the related-party relationships of which we are aware. The entity has not entered into any new agreements with a related party or modified terms related to an existing related-party transaction during the year under audit, or as of the date of this letter. Further, we do not have any existing or ongoing agreements with related parties that are still in effect as of the date of this letter.
- We understand that the term <u>related party</u> refers to:
 - Affiliates
 - Entities for which investments are accounted for by the equity method
 - Trusts for the benefits of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management
 - Principal owners and members of their immediate families
 - Management and members of their immediate families
 - Any other party with which the entity may deal if one party can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.

Another party is also a related party if it can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests. The term <u>affiliate</u> refers to a party that directly or indirectly controls, or is controlled by, or is under common control with, the entity.

Litigation, Laws, Rulings, & Regulations

- We have disclosed to you all known actual or possible litigation and claims whose effects should be considered
 when preparing the financial statements. The effects of all known actual or possible litigation and claims have
 been accounted for and disclosed in accordance with accounting principles generally accepted in the United States
 of America
- We have no knowledge of communications, other than those specifically disclosed, from regulatory agencies, governmental representatives, employees, or others concerning investigations or allegations of noncompliance with laws and regulations, deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the financial statements.
- We have disclosed to you all known instances of violations or noncompliance or possible violations or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements or as a basis for recording a loss contingency.
- We have not been designated as a potentially responsible party (PRP or equivalent status) by the Environmental Protection Agency (EPA) or other cognizant regulatory agency with county to enforce environmental laws and regulations other than as follows:
 - 1. Provision has been made for any material loss that is probable from environmental remediation liabilities associated with certain polluted sites. We believe that such estimate is reasonable based on available information and that the liabilities and related loss contingencies and the expected outcome of uncertainties have been adequately described in the entity's financial statements.

Financial Statements & Reports

- With regard to supplementary information:
 - m. We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America, and
 - n. We believe the supplementary information is fairly presented, both in form and content, in accordance with accounting principles generally accepted in the United States of America.
 - o. The methods of measurement and presentation of the supplementary information are unchanged from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - p. We believe the significant assumptions or interpretations underlying the measurement and/or presentation of the supplementary information are reasonable and appropriate.
- With regard to other information that is presented in the form of our annual comprehensive financial report (ACFR):
 - q. We confirm that the sections of the report as presented in the Table of Contents comprise the Annual Comprehensive Financial Report (ACFR) for the County.
 - r. We have provided you with the final draft of the annual comprehensive financial report (ACFR).

Transactions, Records, & Adjustments

- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- The entity has appropriately reconciled its general ledger accounts to their related supporting information. All related reconciling items considered to be material were identified and included on the reconciliations and were appropriately adjusted in the financial statements. All intracompany (and intercompany) accounts have been eliminated or appropriately measured and considered for disclosure in the financial statements.
- We have everything we need to keep our books and records.
- We have disclosed any significant unusual transactions the entity has entered into during the period, including the nature, terms, and business purpose of those transactions.

Governmental Accounting & Disclosure Matters

- Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- With regard to deposit and investment activities:
 - s. All deposit, repurchase and reverse repurchase agreements, and investment transactions have been made in accordance with legal and contractual requirements.
 - t. Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
 - u. Disclosures of deposit and investment balances and risks in the financial statements are consistent with our understanding of the applicable laws regarding enforceability of any pledges of collateral.

- v. We understand that your audit does not represent an opinion regarding the enforceability of any collateral pledges.
- The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- Components of net position (net investment in capital assets, restricted, and unrestricted) are properly classified and, if applicable, approved.
- Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- The entity has properly separated information in debt disclosures related to direct borrowings and direct placements of debt from other debt and disclosed any unused lines of credit, collateral pledged to secure debt, terms in debt agreements related to significant default or termination events with finance-related consequences, and significant subjective acceleration clauses in accordance with GASB Statement No. 88.
- The entity's ability to continue as a going concern was evaluated and that appropriate disclosures are made in the financial statements as necessary under GASB requirements.
- The supplementary information required by the Governmental Accounting Standards Board, consisting of management's discussion and analysis, budgetary comparisons, pension, and other postemployment benefit information, has been prepared and is measured and presented in conformity with the applicable GASB pronouncements, and we acknowledge our responsibility for the information. The information contained therein is based on all facts, decisions, and conditions currently known to us and is measured using the same methods and assumptions as were used in the preparation of the financial statements. We believe the significant assumptions underlying the measurement and/or presentation of the information are reasonable and appropriate. There has been no change from the preceding period in the methods of measurement and presentation.
- With regard to pension and other postretirement benefits (OPEB):
 - w. We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
 - x. We have provided you with the entity's most current pension and OPEB plan instruments for the audit period, including all plan amendments.
 - y. The participant data provided to you related to pension and OPEB plans are true copies of the data submitted or electronically transmitted to the plan's actuary.
 - z. The participant data that we provided the plan's actuary for the purposes of determining the actuarial present value of accumulated plan benefits and other actuarially determined amounts in the financial statements were complete.

General Government Matters

- All funds that meet the quantitative criteria in GASB Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, as amended, and No. 37, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments:

 Omnibus—an Amendment of GASB Statements No. 21 and No. 34, for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- Expenses have been appropriately classified in the Statements of Revenues, Expenses and Changes in Net Position.
- Revenues are appropriately classified in the Statements of Revenues, Expenses and Changes in Net Position.
- We have exercised due care in the preparation of the introductory and statistical sections included in our annual comprehensive financial report (ACFR) and are not aware of any information contained therein that is inconsistent with the information contained in our basic financial statements.

Accounting & Disclosure

- All transactions entered into by the entity are final. We are not aware of any unrecorded transactions, side agreements, or other arrangements (either written or oral) that are in place.
- Except as reflected in the financial statements, there are no:
 - aa. Plans or intentions that may materially affect carrying values or classifications of assets, deferred outflows of resources, liabilities, deferred inflows of resources, or net position.
 - bb. Material transactions omitted or improperly recorded in the financial records.
 - cc. Material unasserted claims or assessments that are probable of assertion or other gain/loss contingencies requiring accrual or disclosure, including those arising from environmental remediation obligations.

- dd. Events occurring subsequent to the statement of net position date through the date of this letter, which is the date the financial statements were available to be issued, requiring adjustment or disclosure in the financial statements.
- ee. Agreements to purchase assets previously sold.
- ff. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, lines of credit, or similar arrangements.
- gg. Guarantees, whether written or oral, under which the entity is contingently liable.
- hh. Known or anticipated asset retirement obligations.
- Except as disclosed in the financial statements, the entity has:
 - Satisfactory title to all recorded assets, and those assets are not subject to any liens, pledges, or other encumbrances.
 - jj. Complied with all aspects of contractual and grant agreements, for which noncompliance would materially affect the financial statements.

Revenue, Accounts Receivable, & Inventory

- Adequate provisions and allowances have been accrued for any material losses from:
 - kk. Uncollectible receivables.
 - II. Excess or obsolete inventories.
 - mm. Sales commitments, including those unable to be fulfilled.
 - nn. Purchase commitments in excess of normal requirements or at prices in excess of prevailing market prices.

Estimates

- We have identified all accounting estimates that could be material to the financial statements, and we confirm the
 appropriateness of the methods and the consistency in their application, the accuracy and completeness of data,
 and the reasonableness of significant assumptions used by us in making the accounting estimates, including those
 measured at fair value reported in the financial statements.
- Significant estimates that may be subject to a material change in the near term have been properly disclosed in the financial statements. We understand that "near term" means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations, which refer to a lack of diversity related to employers, industries, inflows of resources, workforce covered by collective bargaining agreements, providers of financial resources, or suppliers of material, labor or services loans, investments, or deposits, or constraints, which refer to a limitation imposed by an external party or by formal action of a government's highest level of decision-making county related to limitations on raising revenue, limitations on spending, limitations on the incurrence of debt, or mandated spending, existing at the date of the financial statements that would make the entity vulnerable to the risk of severe impact in the near term that have not been properly disclosed in the financial statements.

Fair Value

- With respect to the fair value measurements of financial and nonfinancial assets and liabilities, if any, recognized in the financial statements or disclosed in the notes thereto:
 - oo. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated course of action.
 - pp. The measurement methods and significant assumptions used in determining fair value are appropriate in the circumstances for financial statement measurement and disclosure purposes and have been consistently applied.
 - qq. The significant assumptions appropriately reflect market participant assumptions.
 - rr. The disclosures related to fair values are complete, adequate, and in conformity with accounting principles generally accepted in the United States of America.
 - ss. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Tax-Exempt Bonds

- Tax-exempt bonds issued have retained their tax-exempt status.
- We have notified you of any instances of noncompliance with applicable disclosure requirements of the SEC Rule 15c2-12 and applicable state laws.

Doug Chorvat, Jr.

Clerk of Court and Comptroller

Joshua Stringfellow

Chief Financial Officer