

September 14, 2026

To the Board of Directors
Crestline Village Water District
Crestline, California

We have audited the financial statements of the Crestline Village Water District (the entity) as of and for the years ended April 30, 2025, and April 30, 2024 and have issued our report thereon dated September 14, 2026. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated May 23, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the entity solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding control deficiencies over financial reporting and noncompliance, and other matters noted during our audit in a separate letter to you dated August xx, 2026.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

We have evaluated whether certain nonattest services performed by our firm during the audit have created a significant threat to our independence in relation to the entity. We have identified a threat to our independence (preparation of the entity's financial statements, creating a self-review threat) that if not reduced to an acceptable level, would impair our independence. In order to reduce the threat to an acceptable level, we have applied the following safeguard:

Prior to the issuance of the entity's financial statements, another partner or manager, independent of the engagement, will review the financial statements.

Significant Risks Identified

We have identified the possibility of the following significant risks:

Management's override of internal controls over financial reporting – Management override of internal controls is the intervention by management in handling financial information and making decisions contrary to internal control policy.

Revenue recognition – Revenue recognition is a generally accepted accounting principle that refers to the conditions under which an entity can recognize a transaction as revenue. Auditing standards indicate that recognizing revenue is a presumed fraud risk and usually classified as a significant risk in most audits.

These significant risks are presumptive in most audits and merit attention by the auditors due to the direct impact over financial reporting and internal control processes. Although identified as significant risks, we noted no matters of management override of controls or deviations from generally accepted accounting principles which caused us to modify our audit procedures or any related matters which are required to be communicated to those charged with governance due to these identified risks.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the entity is included in Note 1 to the financial statements. The City adopted GASB Statement No. 101, *Compensated Absences*, and GASB Statement No. 102, *Certain Risk Disclosures* during 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the entity's financial statements are:

Management's estimate of the net pension liability and related deferred inflows and outflows of resources are based on actuarial reports by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Management's estimate of the liability for other post-employment benefits (OPEB) and related deferred inflows and outflows of resources are based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users.

The most sensitive disclosures affecting the entity's financial statements relate to:

The disclosure of net pension liability and related deferred inflows and outflows of resources in the basic financial statements is based on actuarial assumptions. Actual future liabilities and actuarial deferred inflows and outflows may vary from disclosed estimates.

The disclosures of the other post-employment benefits (OPEB) liability and related deferred inflows and outflows of resources in the basic financial statements is based on actuarial assumptions. Actual future liabilities and actuarial deferred inflows and outflows may vary from disclosed estimates.

The disclosure of leases and subscription liabilities, right-to-use assets, and asset amortization in the basic financial statements is based on certain terms and assumptions in the agreements which could differ from actual amounts.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements noted.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. Attachment A reflects all material misstatements that we identified as a result of our audit procedures that were brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the entity's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated September 14, 2026.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, the entity utilized the services of MV Cheng and Associates for consulting services related to the fiscal year-end closing process.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the entity, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the entity's auditors.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the Board of Directors and management of the entity and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Rogers, Anderson, Malody & Scott, LLP.

Client: **CRE0002 - Crestline Village Water District**
Engagement: **2025 - Crestline Village Water District**
Trial Balance: **TB - CVWD**
Workpaper: **3700.01 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 101				
To record FMV adjustment on King Capital				
100-113005	INVESTMENTS - PORTFOLIO		8,951.96	
100-492015	FAIR MARKET VALUE ADJUSTMENT			8,951.96
Total			8,951.96	8,951.96
Adjusting Journal Entries JE # 102				
To record entries related to OPEB				
100-282999	NET OPEB LIABILITY		1,158,553.00	
100-190700	DEFERRED OUTFLOWS - OPEB			99,481.00
100-292998	DEFERRED INFLOWS - OPEB			923,801.00
100-564400	GROUP MEDICAL INSURANCE			135,271.00
Total			1,158,553.00	1,158,553.00
Adjusting Journal Entries JE # 103				
Reverse prior year accrual for interest receivable				
100-492000	INTEREST REVENUES		17,217.00	
100-156000	ACCRUED INTEREST RECEIVABLE			17,217.00
Total			17,217.00	17,217.00
Adjusting Journal Entries JE # 104				
To record the year-end system account cleanup				
100-212170	PAYROLL CORRECTIONS		7.09	
100-213600	HEALTH INSURANCE		295,812.29	
100-564400	GROUP MEDICAL INSURANCE		4,445.79	
100-564500	EMPLOYER PAYROLL TAXES		1,979.79	
100-564500	EMPLOYER PAYROLL TAXES		2,104.84	
100-564500	EMPLOYER PAYROLL TAXES		5,442.49	
100-564600	PENSION PLAN COSTS		11,893.08	
100-567200	MAINT & REPAIRS/GEN EQUIPMENT		576.92	
100-212110	F.I.C.A. WITHHELD			2,104.84
100-212120	FEDERAL INCOME TAX WITHHELD			5,442.49
100-212130	STATE INCOME TAX WITHHELD			1,979.79
100-212140	RETIREMENT CONTRIBUTIONS PAYABLE			11,893.08
100-212150	EMPLOYEE WAGE ASSIGNMENTS			576.92
100-213500	P.E.P. LIFE INSURANCE			4,445.79
100-561000	WAGES - ADMIN - GENERAL			7.09
100-564400	GROUP MEDICAL INSURANCE			295,812.29
Total			322,262.29	322,262.29
Adjusting Journal Entries JE # 105				
To record interest receivable				
100-156000	ACCRUED INTEREST RECEIVABLE		9,889.29	
100-492000	INTEREST REVENUES			9,889.29
Total			9,889.29	9,889.29
Adjusting Journal Entries JE # 106				
To record amortization expense for the ROU asset				
100-591100	AMORTIZATION EXPENSE		2,760.04	
100-167501	AMORTIZATION - RTU- GENERAL PLANT			2,760.04
Total			2,760.04	2,760.04

Client: **CRE0002 - Crestline Village Water District**
Engagement: **2025 - Crestline Village Water District**
Trial Balance: **TB - CVWD**
Workpaper: **3700.01 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 107		4400.05		
To record the reclass of Aclara to prepaid				
100-155000	PREPAYMENTS		23,369.33	
100-562175	SOFTWARE			23,369.33
Total			23,369.33	23,369.33
Adjusting Journal Entries JE # 108		5200.05		
To adjust the current year accrued payroll.				
100-217000	ACCRUED PAYROLL		86,531.00	
100-561000	WAGES - ADMIN - GENERAL		15,233.85	
100-561500	WAGES - ADMIN - FIELD		15,233.00	
100-564500	EMPLOYER PAYROLL TAXES		385.95	
100-217000	ACCRUED PAYROLL			30,852.80
100-561000	WAGES - ADMIN - GENERAL			42,468.18
100-561500	WAGES - ADMIN - FIELD			42,468.18
100-564500	EMPLOYER PAYROLL TAXES			1,594.64
Total			117,383.80	117,383.80
Adjusting Journal Entries JE # 109		5200.05		
To adjust the current year accrued ot/comp leave.				
100-213100	ACCRUED OT/COMP LEAVE		5,881.00	
100-561000	WAGES - ADMIN - GENERAL		5,204.10	
100-213100	ACCRUED OT/COMP LEAVE			5,204.10
100-561000	WAGES - ADMIN - GENERAL			5,881.00
Total			11,085.10	11,085.10
Adjusting Journal Entries JE # 110		5200.10		
To adjust the current year accrued PTO.				
100-213200	ACCRUED VACATION LEAVE		120,175.00	
100-561000	WAGES - ADMIN - GENERAL		116,692.50	
100-213200	ACCRUED VACATION LEAVE			116,692.50
100-561000	WAGES - ADMIN - GENERAL			120,175.00
Total			236,867.50	236,867.50
Adjusting Journal Entries JE # 111		5300.30		
To record pension entry for the year				
100-282998	NET PENSION LIABILITY		145,286.00	
100-564600	PENSION PLAN COSTS		79,751.00	
100-190600	DEFERRED OUTFLOWS - PENSIONS			222,769.00
100-292999	DEFERRED INFLOWS - PENSIONS			2,268.00
Total			225,037.00	225,037.00

Client: **CRE0002 - Crestline Village Water District**
Engagement: **2025 - Crestline Village Water District**
Trial Balance: **TB - CVWD**
Workpaper: **3700.01 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 112		4600.01		
To record depreciation adjustments for the current year and capital asset additions not reflected in the trial balance.				
100-162102	TREATMENT - EQUIPMENT		9,069.83	
100-162102	TREATMENT - EQUIPMENT		24,597.97	
100-163110	TRANSMISSION - STRUCTURES & IMPROVEMENTS		14,147.27	
100-164140	GENERAL - TOOLS, SHOP & GARAGE EQUIPMENT		11,595.66	
100-167400	DEPRECIATION, TRANS & DISTRIB		4,781.99	
100-167500	DEPRECIATION, GENERAL PLANT		28,732.43	
100-571000	DEPRECIATION EXPENSE.		611,173.03	
100-163150	TRANSMISSION - SERVICES			4,781.99
100-164130	GENERAL - TRANSPORTATION EQUIPMENT			28,732.43
100-165130	CIP			9,069.83
100-165130	CIP			24,597.97
100-167100	DEPRECIATION, SOURCE OF SUPPLY			50,798.09
100-167200	DEPRECIATION, PUMPING PLANT			6,648.93
100-167300	DEPRECIATION, WATER TREATMENT			6,664.80
100-167400	DEPRECIATION, TRANS & DISTRIB			418,663.78
100-167500	DEPRECIATION, GENERAL PLANT			128,397.43
100-542200	MAINT & REPAIRS TO T&D MAINS			14,147.27
100-562250	M&R - GENERAL - EQUIPMENT			11,595.66
Total			704,098.18	704,098.18
Adjusting Journal Entries JE # 113		5400.05		
To reclassify lease payments to reduce the lease liability and reclassify related interest to the correct account.				
100-211200	OTHER LEASES PAYABLE		2,766.01	
100-591000	INTEREST EXPENSE		436.91	
100-562300	OFFICE EQUIPMENT RENTAL			3,202.92
Total			3,202.92	3,202.92
Adjusting Journal Entries JE # 114		4300.05		
To correct the inventory balance				
100-532100	MAINT & REPAIRS/BLDGS & GROUNDS		10,341.26	
100-542300	LOCATING MAINS		10,341.26	
100-542500	MAINT & REPAIRS TO SERVICES		10,341.26	
100-542700	MAINT & REPAIRS TO METERS, SHOP		10,341.28	
100-542800	MAINT & REPAIRS TO METERS, FIELD		10,341.26	
100-150000	INVENTORY, MATERIALS & SUPPLIES			51,706.32
Total			51,706.32	51,706.32
Adjusting Journal Entries JE # 115		4400.05		
To record adjustments for prepaid expenses.				
100-155000	PREPAYMENTS		83,765.02	
100-562700	OUTSIDE SERVICES EMPLOYED			12,525.50
100-563100	LIABILITY & CASUALTY INSURANCE			5,636.02
100-563100	LIABILITY & CASUALTY INSURANCE			22,791.10
100-563200	WORKMENS COMPENSATION INSURANCE			6,382.56
100-564400	GROUP MEDICAL INSURANCE			36,429.84
Total			83,765.02	83,765.02

Client: **CRE0002 - Crestline Village Water District**
Engagement: **2025 - Crestline Village Water District**
Trial Balance: **TB - CVWD**
Workpaper: **3700.01 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 116				
		4600.01		
To post corrections to capital asset accounts				
100-150000	INVENTORY, MATERIALS & SUPPLIES		5,775.25	
100-532200	MAINT & REPAIRS/FIXTURES,EQUIPT		4,961.89	
100-542800	MAINT & REPAIRS TO METERS,FIELD		3,466.05	
100-567200	MAINT & REPAIRS/GEN EQUIPMENT		251.79	
100-160107	SOURCE - WELLS, SPRINGS, ETC.			4,961.89
100-162102	TREATMENT - EQUIPMENT			6,027.04
100-163160	TRANSMISSION - METERS			3,466.05
Total			14,454.98	14,454.98
Adjusting Journal Entries JE # 117				
		4600.01		
To correct classifications between Supply Mains and Transmission & Distribution Mains				
100-163130	TRANSMISSION - MAINS		3,108.00	
100-160108	SOURCE - SUPPLY MAINS			3,108.00
Total			3,108.00	3,108.00
Adjusting Journal Entries JE # 118				
		4600.01		
To reclass subscription implementation costs to the ROU asset account.				
100-164122	RIGHT-TO-USE - SUBSCRIPTION ASSET		15,000.00	
100-164150	GENERAL - COMMUNICATIONS EQUIPMENT			15,000.00
Total			15,000.00	15,000.00
Adjusting Journal Entries JE # 119				
		5400.06		
To record new subscription liability and ROU asset.				
100-164122	RIGHT-TO-USE - SUBSCRIPTION ASSET		255,335.47	
100-211201	Subscription Liability			255,335.47
Total			255,335.47	255,335.47
Adjusting Journal Entries JE # 120				
		5400.06		
To record current year amortization and interest accrual for the new subscription liability.				
100-591100	AMORTIZATION EXPENSE		16,266.75	
100-167502	AMORTIZATION - RTU - SUBSCRIPTIONS			16,266.75
Total			16,266.75	16,266.75
Adjusting Journal Entries JE # 121				
		4200.25		
To recognize the cash received in excess of the property tax accrual and remove the allowance.				
100-121115	ALLOWANCE - PROPERTY TAX		1,600.00	
100-122000	ACCOUNTS RECEIVABLE - PROPERTY TAXES		3,322.17	
100-493100	PROPERTY TAX REVENUE			3,322.17
100-562180	OTHER EXPENSES			1,600.00
Total			4,922.17	4,922.17
Adjusting Journal Entries JE # 122				
		7550.41		
To reclass AP payments from wages account.				
100-562700	OUTSIDE SERVICES EMPLOYED		24,055.75	
100-511000	WAGES - SOURCE OF SUPPLY			24,055.75
Total			24,055.75	24,055.75

Client: **CRE0002 - Crestline Village Water District**
Engagement: **2025 - Crestline Village Water District**
Trial Balance: **TB - CVWD**
Workpaper: **3700.01 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 123		7550.42		
To reclass AP transactions erroneously recorded to wages.				
100-567200	MAINT & REPAIRS/GEN EQUIPMENT		7,140.11	
100-531000	WAGES - TREATMENT			7,140.11
Total			7,140.11	7,140.11



BOARD OF DIRECTORS
Steven C. Farrell, President
William R. Barrera, Vice President
Leslie G. Brister
Kenneth L. Stone
Cory W. Hubbell

GENERAL MANAGER
Thomas G. Weddle Jr.

Rogers, Anderson, Malody & Scott, LLP

This representation letter is provided in connection with your audit of the basic financial statements of Crestline Village Water District (the entity) which comprise the statement of financial position as of June 30, 2025 and 2024, and the respective change in financial position and, where applicable, cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements of the various opinion units are presented fairly, in all material respects, in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

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 such that, in the light of surrounding circumstances, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of September 14, 2026:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 23, 2025, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
- The financial statements referred to above have been fairly presented in accordance with U.S. GAAP and include all properly classified funds, required supplementary information, and notes to the basic financial statements.
- We acknowledge our responsibility for the design, implementation, and maintenance of the system 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- The methods, data and significant assumptions used by us in making accounting estimates and their related disclosures, are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP.
- All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, if any, are included and other joint ventures and related organizations are properly disclosed.

- 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*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus as amended*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position are properly classified.
- Our 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 are available is appropriately disclosed and net position is properly recognized under the policy.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- Nonexchange and exchange financial guarantees, either written or oral, under which it is more likely than not that a liability exists have been properly recorded, or if we are obligated in any manner, are disclosed.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements and the effects of material adjustments are summarized in the attached schedule.
- We have evaluated all of our lease and subscription agreements and have given you our assessment as to whether each agreement is subject to GASB Statement No. 87, *Leases* and GASB Statement No. 96, *Subscription Based Information Technology Arrangements*.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- With regard to pensions and OPEB:
 - 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.
 - We are unable to determine the possibility of a withdrawal liability from the PEPRM Miscellaneous and Miscellaneous plans and are not currently contemplating withdrawing from the PEPRM Miscellaneous and Miscellaneous plans.
 - Increases in benefits, elimination of benefits and all similar amendments have been disclosed in accordance with U.S. GAAP and are included in the most recent actuarial valuation, or disclosed as a subsequent event.
- We have conducted a comprehensive risk assessment and disclosed all material concentrations and constraints in accordance with GASB Statement No. 102, *Certain Risk Disclosures*. These disclosures provide sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact associated with the concentration or constraint, if applicable.

- We have evaluated the concentrations and constraints, including those that occur subsequent to the statement of net position date but before the financial statements are issued and have been properly disclosed in the financial statements as subsequent events.
- With respect to preparation of the financial statements, we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;
 - Evaluated the adequacy of the services performed;
 - Evaluated and accepted responsibility for the result of the service performed; and
 - Established and maintained internal controls, including a process to monitor the system of internal controls.
- There have been no changes or updates to legal information disclosed to you by our attorney(s) since the date of such legal response and now.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- The financial statements and any other information included in the annual report are consistent with one another, and the other information does not contain any material misstatements.
- All information provided in electronic form are true representations of the original documents.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, concentrations and constraints, and we believe that our use of the going concern basis of accounting is appropriate.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), analysts, regulators, or others.
- We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.

- We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, abuse or waste that you have reported to us.
- We have a process to track the status of audit findings and recommendations.
- We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The entity has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
 - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission, and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Use of a Specialist

- We agree with the findings of specialists in evaluating the entity's net pension and net other post-employment benefit liabilities and related deferred amounts and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

Cybersecurity

- There have been no cybersecurity breaches or other cyber events whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or otherwise considered when preparing the financial statements.

Supplementary Information in Relation to the Financial Statements as a Whole

With respect to supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America.
- We believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
- The methods of measurement or presentation have not changed from those used in the prior period.
- We believe any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
- When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.
- We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
- We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

Required Supplementary Information

With respect to the required supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP.
- We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.
- The methods of measurement or presentation have not changed from those used in the prior period.

- We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Accounting Estimates and Related Disclosures

- The significant judgments made in making the accounting estimates have taken into account all relevant information of which we are aware.
- We have consistently and appropriately selected and applied methods, assumptions, and data when making accounting estimates.
- The assumptions we used in making and disclosing accounting estimates appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity, when relevant to the accounting estimates and disclosures.
- The disclosures related to accounting estimates, including those disclosures describing estimation uncertainty, are complete and are reasonable in the context of the applicable financial reporting framework.
- We have obtained and applied appropriate specialized skills and expertise in making accounting estimates, if needed.
- We are not aware of any events subsequent to the date of the financial statements that require adjustment to our accounting estimates and related disclosures included in the financial statements.



Tom Weddle, General Manager