

North Dakota Department of  
Veterans Affairs

BISMARCK, NORTH DAKOTA

**Audit Report**

For the Two-Year Period Ended  
June 30, 2016



Office of the State Auditor  
Division of State Audit

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STATE OF NORTH DAKOTA  
**OFFICE OF THE STATE AUDITOR**  
FARGO BRANCH OFFICE  
1655 43<sup>rd</sup> STREET SOUTH, SUITE 203  
FARGO, NORTH DAKOTA 58103

## *Transmittal Letter*

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May 30, 2017

Members of the North Dakota Legislative Assembly  
Members of the Administrative Committee on Veterans Affairs  
Mr. Lonnie Wangen, Commissioner

We are pleased to submit this audit of the North Dakota Department of Veterans Affairs for the two-year period ended June 30, 2016. This audit resulted from the statutory responsibility of the State Auditor to audit or review each state agency once every two years. The same statute gives the State Auditor the responsibility to determine the contents of these audits.

In determining the contents of the audits of state agencies, the primary consideration was to determine how we could best serve the citizens of the state of North Dakota. Naturally we determined financial accountability should play an important part of these audits. Additionally, operational accountability is addressed whenever possible to increase efficiency and effectiveness of state government.

The in-charge auditor for this audit was Alex Mehring, CPA. Mary Feltman, CPA was the staff auditor. Robyn Hoffmann, CPA was the audit manager. Inquiries or comments relating to this audit may be directed to the audit manager by calling (701)239-7291. We wish to express our appreciation to Commissioner Wangen and his staff for the courtesy, cooperation, and assistance they provided to us during this audit.

Respectfully submitted,

A handwritten signature in black ink that reads "Joshua C. Gallion".

Joshua C. Gallion  
State Auditor

# *Executive Summary*

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## *Introduction*

The North Dakota Department of Veterans Affairs was created under Section 37, Article 18 of the North Dakota Century Code. It is the function of the Department of Veterans Affairs to coordinate agencies or instrumentalities of the state set up to render service and benefits to returning veterans; to have charge of and implement programs and benefits authorized by statute; to assist or represent veterans or their widows, administrators, executors, guardians, or heirs, in processing claims; to advise and assist veterans in taking advantage of the provisions of the Servicemen's Readjustment Act of 1944, or any similar or related measures afforded by the federal government; to assist, supervise, advise, and direct the work of county service officers; to assist county service officers in the formation of county service to veterans' committees and to outline, assist, and direct the activities of such committees.

The Department of Veterans Affairs is also authorized, under North Dakota Century Code sections 37-14-03.3 and 37-14-04, to maintain a permanent revolving fund for the purpose of making loans to qualified veterans.

North Dakota Century Code Chapter 37-18.1, created an Administrative Committee on Veterans' Affairs, which is responsible for the organization, policy and general administration of all veterans' affairs in the state of North Dakota.

The Legislative Audit and Fiscal Review Committee (LAFRC) requests that certain items be addressed by auditors performing audits of state agencies. Those items and the Office of the State Auditor's responses are noted below.

## *Responses to LAFRC Audit Questions*

### *1. What type of opinion was issued on the financial statements?*

Financial statements were not prepared by the Department of Veterans Affairs in accordance with generally accepted accounting principles, so an opinion is not applicable. The agency's transactions were tested and included in the state's basic financial statements on which an unmodified opinion was issued.

### *2. Was there compliance with statutes, laws, rules, and regulations under which the agency was created and is functioning?*

Other than our findings addressing "Improper Pay Rate" (page 11), the Department of Veterans Affairs was in compliance with significant statutes, laws, rules, and regulations under which it was created and is functioning.

### *3. Was internal control adequate and functioning effectively?*

Yes.

### *4. Were there any indications of lack of efficiency in financial operations and management of the agency?*

No.

### *5. Has action been taken on findings and recommendations included in prior audit reports?*

Yes.

6. *Was a management letter issued? If so, provide a summary below, including any recommendations and the management responses.*

Yes, a management letter was issued and is included on page 12 of this report, along with management's response.

### **LAFRC Audit Communications**

7. *Identify any significant changes in accounting policies, any management conflicts of interest, any contingent liabilities, or any significant unusual transactions.*

There were no significant changes in accounting policies, no management conflicts of interest were noted, no contingent liabilities or significant unusual transactions were identified.

8. *Identify any significant accounting estimates, the process used by management to formulate the accounting estimates, and the basis for the auditor's conclusions regarding the reasonableness of those estimates.*

The Department of Veterans Affairs' financial statements do not include any significant accounting estimates.

9. *Identify any significant audit adjustments.*

Significant audit adjustments were not necessary.

10. *Identify any disagreements with management, whether or not resolved to the auditor's satisfaction relating to a financial accounting, reporting, or auditing matter that could be significant to the financial statements.*

None.

11. *Identify any serious difficulties encountered in performing the audit.*

None.

12. *Identify any major issues discussed with management prior to retention.*

This is not applicable for audits conducted by the Office of the State Auditor.

13. *Identify any management consultations with other accountants about auditing and accounting matters.*

None.

14. *Identify any high-risk information technology systems critical to operations based on the auditor's overall assessment of the importance of the system to the agency and its mission, or whether any exceptions identified in the six audit report questions to be addressed by the auditors are directly related to the operations of an information technology system.*

ConnectND Finance, Human Resource Management System (HRMS) and Nortridge Loan System are high-risk information technology systems critical to the Department of Veterans Affairs. No exceptions related to the operations of an information technology system were noted.

# ***Audit Objectives, Scope, and Methodology***

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## **Audit Objectives**

The objectives of this audit of the Department of Veterans Affairs for the two-year period ended June 30, 2016 were to provide reliable, audited financial statements, and to answer the following questions:

1. What are the highest risk areas of the Department of Veterans Affairs operations and is internal control adequate in these areas?
2. What are the significant and high-risk areas of legislative intent applicable to the Department of Veterans Affairs and are they in compliance with these laws?
3. Are there areas of the Department of Veterans Affairs' operations where we can help to improve efficiency or effectiveness?

## **Audit Scope**

This audit of the Department of Veterans Affairs is for the two-year period ended June 30, 2016. We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The Department of Veterans Affairs' sole location is its Fargo office, which was included in the audit scope.

## **Audit Methodology**

To meet the objectives outlined above, we:

- Prepared financial statements from the legal balances on the state's accounting system tested as part of this audit and the audit of the state's Comprehensive Annual Financial Report and developed a discussion and analysis of the financial statements.
- Performed detailed analytical procedures including computer-assisted auditing techniques. These procedures were used to identify high-risk transactions and potential problem areas for additional testing.
- Tested internal control and compliance with laws and regulations, which included selecting representative samples to determine if controls were operating effectively and to determine if laws were being followed consistently. Non-statistical sampling was used and the results were projected to the population. Where applicable, populations were stratified to ensure that particular groups within a population were adequately represented in the sample, and to improve efficiency by gaining greater control on the composition of the sample.
- Interviewed appropriate agency personnel.
- Queried the ConnectND (PeopleSoft) system. Significant evidence was obtained from ConnectND.
- Observed Department of Veterans Affairs' processes and procedures.

In aggregate, there were no significant limitations or uncertainties related to our overall assessment of the sufficiency and appropriateness of audit evidence.

## ***Discussion and Analysis***

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The accompanying financial statements have been prepared to present the Department of Veterans Affairs' revenues and expenditures on the legal (budget) basis. The accompanying financial statements are not intended to be presented in accordance with generally accepted accounting principles (GAAP).

For the two-year period June 30, 2016, operations of the Department of Veterans Affairs were primarily supported by appropriations from the state's general fund. This was supplemented by federal funding.

### ***Financial Summary***

Revenues consisted primarily of federal funds, as well as miscellaneous general revenue. Other revenues during the audited period included contributions and private grants and loan related revenues. Comparing fiscal year 2016 to 2015 amounts, Revenue from the federal government increased \$81,000 and miscellaneous general revenue decreased \$25,000. The increase in federal revenue was due to the transfer of the State Approving Agency to the Department of Veterans Affairs from the North Dakota University System pursuant to 2015 HB 1025. This program manages and oversees the Veterans Education benefits that were provided to veterans under the GI bill. The decrease in miscellaneous general revenue, which is primarily the payment of loan investment principal, was due the collection of past due loans in FY15. All other revenues remained fairly constant for the Department of Veterans Affairs, increasing only slightly. Total revenues were \$542,529 for the year ended June 30, 2016 as compared to \$478,930 for the year ended June 30, 2015.

Total expenditures for the Department of Veterans Affairs were \$1,404,838 for the year ended June 30, 2016 as compared to \$1,390,212 for the prior year. The increase in total expenditures for the audited period reflects primarily \$175,000 increase in salaries and benefits and a decrease of \$213,000 in motor vehicles. The increase in salaries and benefits was due to receiving one additional FTE for the for the State Approving Agency pursuant to 2015 HB 1025. The decrease in motor vehicles was due to a decrease in funding in the Highly Rural Transportation Grant in FY16. All other expenditures remained fairly constant.

### ***Analysis of Significant Changes in Operations***

Other than the transfer of the State Approving Agency to the Department of Veterans Affairs, there were no other significant changes in operations.

### ***Analysis of Significant Variances - Budgeted and Actual Expenditures***

None noted.



# Financial Statements

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## Statement of Revenues and Expenditures

<b><u>Revenues and Other Sources</u></b>	<b>June 30, 2016</b>	<b>June 30, 2015</b>
Revenue from Federal Government	\$ 396,343	\$ 315,747
Miscellaneous General Revenue	98,413	123,514
Contributions and Private Grants	37,244	26,992
Loan Related Revenues	10,379	7,624
Cash/Investment Earnings	150	126
Leases, Rents, and Royalties		4,928
<b>Total Revenues and Other Sources</b>	<b>\$ 542,529</b>	<b>478,931</b>

<b><u>Expenditures and Other Uses</u></b>		
Salaries and Benefits	\$ 689,975	\$ 514,120
Grants, Benefits & Claims	370,980	350,895
Motor Vehicles	117,585	331,000
Travel	69,193	65,780
Rentals/Leases - Bldg/Land	45,296	38,199
IT Equipment under \$5,000	21,315	5,893
IT - Data Processing	18,363	11,256
Professional Fees and Services	15,132	14,819
Bldg, Grounds, Vehicle Supply	8,714	3,824
Supplies - IT Software	8,006	9,380
Insurance	6,231	1,057
IT - Communications	5,655	7,380
Rentals/Leases-Equipment & Other	5,632	3,415
Office Supplies	3,416	4,125
Printing	2,938	4,064
Utilities	2,838	2,652
Postage	2,474	168
Professional Development	2,460	5,800
Operating Fees and Services	2,424	800
IT Contractual Services and Repairs	2,383	5,422
Supply/Material - Professional	1,857	884
Repairs	1,606	230
Office Equip & Furniture-Under \$5,000	220	3,332
Miscellaneous Supplies	131	5,625
Food and Clothing	15	93
<b>Total Expenditures and Other Uses</b>	<b>\$ 1,404,839</b>	<b>\$ 1,390,213</b>

## Statement of Appropriations

### For the Biennium Ended June 30, 2015

Expenditures by Line Item:	Original		Adjusted		Expenditures		Unexpended Appropriations
	Appropriation	Adjustments	Appropriation	FY2014	FY2015		
Accrued Leave Payments	\$ 10,123		\$ 10,123	\$ 519	\$ 1,148		\$ 8,456
Technology Project Carryover		\$ 7,933	7,933	7,933			
Transport Vans	30,000	380,000	410,000	15,000	330,746		64,254
Grant - Agent Orange	50,000		50,000	29,447	20,553		
Vets Affairs Administration	1,375,580	12,440	1,388,020	613,936	756,695		17,389
General Fund Transfers	250,000		250,000	250,000			
<b>Totals</b>	<b>\$ 1,715,703</b>	<b>\$ 400,373</b>	<b>\$ 2,116,076</b>	<b>\$ 916,835</b>	<b>\$ 1,109,142</b>		<b>\$ 90,099</b>
<b>Expenditures by Source:</b>							
General Funds	\$ 1,715,703	\$ 20,373	\$ 1,736,076	\$ 916,835	\$ 793,396		\$ 25,845
Federal Funds		380,000	380,000		315,746		64,254
<b>Totals</b>	<b>\$ 1,715,703</b>	<b>\$ 400,373</b>	<b>\$ 2,116,076</b>	<b>\$ 916,835</b>	<b>\$ 1,109,142</b>		<b>\$ 90,099</b>

### For Fiscal Year Ended June 30, 2016

Expenditures by Line Item:	Original		Adjusted		Expenditures		Unexpended Appropriations
	Appropriation	Adjustments	Appropriation	FY2016			
Technology Project Carryover		\$ 4,756	\$ 4,756	\$ 2,373			\$ 2,383
Transport Vans	\$ 15,000	(15,000)					
Grant - Agent Orange	50,000		50,000	50,000			
Vets Affairs Administration	1,810,513	1,287,759	3,098,272	1,059,209			2,039,063
Contingent Service Dogs	25,000		25,000				25,000
<b>Totals</b>	<b>\$ 1,900,513</b>	<b>\$ 1,277,515</b>	<b>\$ 3,178,028</b>	<b>\$ 1,111,582</b>			<b>\$ 2,066,446</b>
<b>Expenditures by Source:</b>							
General Funds	\$ 1,612,495	\$ (51,350)	\$ 1,561,145	\$ 778,825			\$ 782,320
Federal Funds	288,018	1,328,865	1,616,883	332,757			1,284,126
<b>Totals</b>	<b>\$ 1,900,513</b>	<b>\$ 1,277,515</b>	<b>\$ 3,178,028</b>	<b>\$ 1,111,582</b>			<b>\$ 2,066,446</b>

### Appropriation Adjustments:

#### For the Biennium Ended June 30, 2015

Technology Project Carryover - \$7,933 was 11-13 carryover approved by the construction carryover committee pursuant to NDCC 54-44.1-11.

Transport Vans - \$380,000 federal funds was approved pursuant to 13 HB 1364 for providing transportation services to veterans or for purchasing vehicles for transportation-related services.

Vets Affairs Administration - \$12,440 was approved pursuant to 13 HB 1051, section 11, State Student Internship Program.

**For Fiscal Year Ended June 30, 2016**

Technology Project Carryover - \$4,756 was 13-15 carryover approved by the construction carryover committee pursuant to NDCC 54-44.1-11.

Transport Vans - \$15,000 reduction due to the 4.05% Budget Allotment.

Vets Affairs Administration - \$1,287,759

- (\$50,306) reduction due to the 4.05% Budget Allotment
- \$9,200 increase pursuant to 15 SB 2015, section 18, State Student Internship Program.
- \$1,264,612 federal fund increase was approved by the Emergency Commission 12/08/15 and Budget Section 12/16/15 for wheelchair accessible vans, operation of the vans and providing reimbursements to subrecipients providing medical-related transportation services.
- \$64,253 federal fund increase approved by the Emergency Commission 12/08/215 and Budget Section 12/16/15 for transportation services to veterans or purchasing vehicles to transport veterans.

**Expenditures Without Appropriations of Specific Amounts:**

The Veterans Post War Trust Fund (fund 410) has a continuing appropriation authorized by NDCC section 37-14-14. All income received from investments is to be utilized only for programs to benefit and serve veterans or their dependents, and all income is appropriated to the Administrative Committee on Veterans Affairs on a continuing basis for expenditure on these programs as authorized by law.

## *Internal Control*

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In our audit for the two-year period ended June 30, 2016, we identified the following areas of the Department of Veterans Affairs' internal control as being the highest risk:

### ***Internal Controls Subjected to Testing:***

- Controls surrounding the processing of revenues.
- Controls surrounding the processing of expenditures.
- Controls effecting the safeguarding of assets.
- Controls relating to compliance with legislative intent.
- Controls surrounding the ConnectND (PeopleSoft) system.
- Controls surrounding the Nortridge Loan System.

The criteria used to evaluate internal control is published in the publication *Standards for Internal Control in the Federal Government* issued by the Comptroller General of the United States (Green Book, GAO-14-704G). Agency management must establish and maintain effective internal control in accordance with policy of the Office of Management and Budget (OMB Policy 216), and for programs receiving Federal funds, the Code of Federal Regulation as set forth by the Federal Government (2 CFR 200.303).

We gained an understanding of internal control surrounding these areas and concluded as to the adequacy of their design. We also tested the operating effectiveness of those controls we considered necessary based on our assessment of audit risk. We concluded internal control was adequate.

Auditors are required to report deficiencies in internal control that are significant within the context of the objectives of the audit. 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: (1) misstatements in financial or performance information; (2) violations of laws and regulations; or (3) impairments of effectiveness or efficiency of operations, on a timely basis. Considering both qualitative and quantitative factors, we did not identify any significant deficiencies in internal control. However, we noted another matter involving internal control that we have reported to management of the Department of Veterans Affairs in a management letter dated May 30, 2017.

## *Compliance with Legislative Intent*

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In our audit for the two-year period ended June 30, 2016, we identified and tested the Department of Veterans Affairs' compliance with legislative intent for the following areas we determined to be significant and of higher risk of noncompliance:

- The Veterans Aid Fund is only used for the purpose of making loans, collecting loans, and paying administrative expense related to the making and collection of loans (NDCC 37-14-03.3).
- Loans are limited to \$5,000, repayment period does not exceed 4 years, interest rates not exceeding 10% and one half of the interest is waived if timely repayment. (NDCC 37-14-06, 07).
- Committee members are reimbursed for travel, meals, and lodging at state rates (NDCC 37-18.1-04).
- The Veterans Affairs Subcommittee conducted an annual performance evaluation of the Commissioner. The subcommittee also created and implemented a strategic plan (NDCC 37-18.1-03.5).
- Up to \$50,000 was spent on service dogs to assist North Dakota veterans having posttraumatic stress disorder only after the completion of a service dog's training and payment did not exceed \$12,500 per service dog (15 HB 1025, section 3 and 13 SB 2344, section 1).
- Additional \$25,000 is available for service dogs was available for North Dakota veterans with posttraumatic stress disorder provided the dogs have completed service dog training, eligible veterans have been approved to receive the service dog and the budget section approved (15 HB 1025, section 4).
- Up to \$50,000 was spent for providing grants to assist in the identification of and the provision of services to North Dakota Veterans who had been exposed to agent orange during the Vietnam conflict (15 HB 1372, section 1).
- Up to \$380,000 of federal funds were spent for the purpose of providing transportation services to veterans or for purchasing vehicles for the provision of transportation-related services to veterans (15 HB 1364, section 1).
- Determine that up to \$34,635 was spent for the purpose of defraying the expenses of desktop support services provided by the information technology department (15 HB 1021, section 8).
- Proper use of the State Treasurer (State Constitution, article X, section 12).
- Compliance with OMB's Purchasing Procedures Manual.
- Travel-related expenditures are made in accordance with OMB policy and state statute.
- Proper use of outside bank accounts, petty cash funds and proper authority for investments outside the Bank of North Dakota.
- Adequate blanket bond coverage of employees (NDCC section 26.1-21-08).
- Compliance with fixed asset requirements including record-keeping, surplus property, lease and financing arrangements in budget requests, and lease analysis requirements.
- Compliance with payroll-related laws including statutory salaries for applicable elected and appointed positions, and certification of payroll.

The criteria used to evaluate legislative intent are the laws as published in the *North Dakota Century Code* and the *North Dakota Session Laws*.

*Government Auditing Standards* requires auditors to report all instances of fraud and illegal acts unless they are inconsequential within the context of the audit objectives. Further, auditors are required to report significant violations of provisions of contracts or grant agreements, and significant abuse that has occurred or is likely to have occurred.

The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*. This finding is described below. Other than this finding, we concluded there was compliance with the legislative intent identified above.

### ***Improper Pay Rate (Finding 16-1)***

#### **Condition:**

The Department of Veterans Affairs did not perform a timely job classification and overpaid a State Approving Agency employee by \$5,368 a month, for a period of seven months. This resulted in an overpayment of \$37,576 of federal funds that was not recouped by the agency.

#### **Criteria:**

OMB Fiscal and Administrative Policy 116 states in part that it is the agency's responsibility to ensure that payroll is signed by a designated official certifying that all positions have been classified appropriately and paid within the assigned salary ranges.

ND OMB's Job Classification procedure states in part, that the classification process examines and evaluates the duties, tasks, and requirements of the position - not the abilities, background, or performance of the person in the position. Generally, an increase in the quality or volume of work does not justify reclassification.

#### **Cause:**

Department of Veterans Affairs did not take the necessary due diligence to ensure that a job classification was submitted to and approved by OMB upon hiring.

#### **Effect or Potential Effect:**

An excess payment to any employee results in noncompliance with OMB's policies and procedures.

#### **Recommendation:**

We recommend the Department of Veterans Affairs ensure that due diligence is taken in the job classification and payroll process to ensure that employees are paid at an equitable rate.

#### **Department of Veterans Affairs Response:**

*NDDVA agrees with the recommendation. NDDVA currently and historically submits all job classifications and payroll processes through ND-OMB-HRMS for approval. NDDVA does not anticipate another transfer of agency and/or FTE's to NDDVA in the future. NDDVA will continue to ensure that the ND-OMB-HRMS and ND Attorney General's office are informed and included in on all details throughout the classification and payroll process in a timely manner. The Commissioner and Office Administrator will be charged with this.*

## ***Management Letter (Informal Recommendations)***

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May 30, 2017

Mr. Lonnie Wangen  
Commissioner  
North Dakota Department of Veterans Affairs  
4201 38th Street South, Suite 104  
Fargo, ND 58106

Dear Mr. Wangen:

We have performed an audit of the Department of Veterans Affairs for the two-year period ended June 30, 2016, and have issued a report thereon. As part of our audit, we gained an understanding of the Department of Veterans Affairs' internal control structure to the extent we considered necessary to achieve our audit objectives. We also performed tests of compliance as described in the same report.

Our audit procedures are designed primarily to enable us to report on our objectives including those related to internal control and compliance with laws and regulations and may not bring to light all weaknesses in systems and procedures or noncompliance with laws and regulations which may exist. We aim, however, to use our knowledge of your organization gained during our audit to make comments and suggestions which we hope will be useful to you.

In connection with the audit, gaining an understanding of the internal control structure, and tests of compliance with laws and regulations referred to above, we noted certain conditions we did not consider reportable within the context of your audit report. These conditions relate to areas of general business practice or control issues that have no significant bearing on the administration of federal funds. We do, however, want to present our recommendations to you for your consideration and whatever follow-up action you consider appropriate. During the next audit we will determine if these recommendations have been implemented, and if not, we will reconsider their status.

The following presents our informal recommendation.

### **Inadequate Segregation of Duties**

**Condition:**

The Department of Veterans Affairs does not have adequate segregation of duties surrounding the revenue recognition process.

**Criteria:**

The GAO Standards for Internal Control in the Federal Government section 10.12 states: management considers segregation of duties in designing control activity responsibilities so that incompatible duties are segregated and, where such segregation is not practical, designs alternative control activities to address the risk.

The GAO Standards for Internal Control in the Federal Government section 10.13 states in part: segregation of duties helps prevent fraud, waste, and abuse in the internal control system. Management considers the need to separate control activities related to authority, custody, and accounting of operations to achieve adequate segregation of duties. In particular, segregation of duties can address the risk of management override.

The GAO Standards for Internal Control in the Federal Government section 10.14 states: if segregation of duties is not practical within an operational process because of limited personnel or other factors, management designs alternative control activities to address the risk of fraud, waste, or abuse in the operational process.

**Effect:**

Inadequate segregation of duties results in an increased risk of misstatement whether due to fraud or error.

**Cause:**

The Department of Veterans Affairs is a smaller agency with limited resources.

**Informal Recommendation #1:**

We recommend the Department of Veterans Affairs segregate duties between receiving revenue and the recording of that revenue into PeopleSoft and the Nortridge Loan System.

***Department of Veterans Affairs Response/Planned Corrective Action:***

*North Dakota Department of Veterans Affairs agrees. With limited staff members, adequate segregation of some duties will not be attainable. With the 2017 legislative session removing two Full Time Equivalent (FTE) positions the ability of NDDVA to adequately segregate duties will be even less attainable. NDDVA will follow the ND State Auditors advice and make every effort to attain the greatest degree of segregation of duties within its ability*

I encourage you to call me at 701-239-7285 if you have any questions about the implementation of recommendations included in your audit report or this letter.

Sincerely,



Alex Mehring, CPA  
Auditor in-charge



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