

**CHILDREN'S COALITION**  
**FOR NORTHEAST LOUISIANA, INC.**  
**MONROE, LOUISIANA**  
**JUNE 30, 2017 AND 2016**

**CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.**

**MONROE, LOUISIANA**

**JUNE 30, 2017 AND 2016**

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# HEARD, McELROY, & VESTAL

—LLC—

CERTIFIED PUBLIC ACCOUNTANTS

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December 4, 2017

The Board of Directors  
Children's Coalition for Northeast Louisiana, Inc.  
Monroe, Louisiana

## Independent Auditors' Report

### **Report on the Financial Statements**

We have audited the accompanying financial Statements of Children's Coalition for Northeast Louisiana, Inc. (a nonprofit Louisiana corporation) which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Children's Coalition for Northeast Louisiana, Inc. as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Other Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of changes in net assets and the schedule of compensation, benefits and other payments to agency head are presented for the purpose of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2017, on our consideration of Children's Coalition for Northeast Louisiana, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Children's Coalition for Northeast Louisiana, Inc.'s internal control over financial reporting and compliance.

Monroe, Louisiana

*Heard, McElroy & Vestal, LLC*

## FINANCIAL STATEMENTS

**CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.**  
**STATEMENTS OF FINANCIAL POSITION**

|   | JUNE 30             |                   |
|---|---------------------|-------------------|
|   | 2017                | 2016              |
| <b>ASSETS</b>                           |                     |                   |
| Cash                                    | \$ 944,672          | \$ 511,383        |
| Accounts Receivable                     | 359,796             | 369,594           |
| Prepaid Expenses                        | 14,730              | 25,090            |
| Furniture and Equipment                 | 245,687             | 225,499           |
| Accumulated Depreciation                | (195,245)           | (177,090)         |
| <b>TOTAL ASSETS</b>                     | <b>\$ 1,369,640</b> | <b>\$ 954,476</b> |
| <b>LIABILITIES AND NET ASSETS</b>       |                     |                   |
| <b>Liabilities</b>                      |                     |                   |
| Accounts Payable                        | \$ 76,690           | \$ 47,304         |
| Accrued Payroll Liabilities             | 30,450              | 25,614            |
| <b>Total Liabilities</b>                | <b>107,140</b>      | <b>72,918</b>     |
| <b>Net Assets</b>                       |                     |                   |
| Net Assets - Unrestricted/Undesignated  | 592,848             | 458,347           |
| Net Assets - Unrestricted/Designated    | 555,312             | 380,318           |
|   | 1,148,160           | 838,665           |
| Net Assets - Temporarily Restricted     | 114,340             | 42,893            |
| <b>Total Net Assets</b>                 | <b>1,262,500</b>    | <b>881,558</b>    |
| <b>TOTAL LIABILITIES AND NET ASSETS</b> | <b>\$ 1,369,640</b> | <b>\$ 954,476</b> |

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

**CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

|  | <u>Unrestricted</u>     | <u>Temporarily<br/>Restricted</u> | <u>Total</u>            |
|--|-------------------------|-----------------------------------|-------------------------|
| <b>Support and Revenues</b>                          |                         |                                   |                         |
| Donations and Sponsorships                           | \$ 743,391              | \$ -                              | \$ 743,391              |
| In-Kind Donations at Fair Value                      | 40,860                  | -                                 | 40,860                  |
| Grants - Federal                                     | 2,145,710               | 267,596                           | 2,413,306               |
| Grants - Vendor Contracts                            | 558,285                 | -                                 | 558,285                 |
| Grants - Other                                       | 15,000                  | 138,375                           | 153,375                 |
| Registration and Tuition Fees                        | 16,304                  | -                                 | 16,304                  |
| Memberships  | 17,140                  | -                                 | 17,140                  |
| Interest   | 1,558                   | -                                 | 1,558                   |
| Contributions and Net Revenue from<br>Special Events |                         |                                   |                         |
| Special Event Revenue                                | 91,128                  | -                                 | 91,128                  |
| BP Settlement Income                                 | 152,385                 |                                   | 152,385                 |
| Other Revenue  | 966                     | -                                 | 966                     |
| Total  | <u>3,782,727</u>        | <u>405,971</u>                    | <u>4,188,698</u>        |
| <br>Net Assets Released from Restrictions            | <br><u>334,524</u>      | <br><u>(334,524)</u>              | <br><u>-</u>            |
| Total Support and Revenue                            | 4,117,251               | 71,447                            | 4,188,698               |
| <b>Expenses</b>                                      |                         |                                   |                         |
| Program Services                                     |                         |                                   |                         |
| Health Care  | 94,349                  | -                                 | 94,349                  |
| Early Childhood Education                            | 1,332,768               | -                                 | 1,332,768               |
| Early Head Start                                     | 1,213,284               | -                                 | 1,213,284               |
| Youth Development                                    | 267,610                 | -                                 | 267,610                 |
| Parenting Initiative                                 | 336,959                 | -                                 | 336,959                 |
| Total Program Services                               | <u>3,244,970</u>        | <u>-</u>                          | <u>3,244,970</u>        |
| Supporting Services                                  |                         |                                   |                         |
| Management & General                                 | 431,325                 | -                                 | 431,325                 |
| Fund Raising   | 131,461                 | -                                 | 131,461                 |
| Total Supporting Services                            | <u>562,786</u>          | <u>-</u>                          | <u>562,786</u>          |
| Total Expenses                                       | <u>3,807,756</u>        | <u>-</u>                          | <u>3,807,756</u>        |
| <br>Change in Net Assets                             | <br>309,495             | <br>71,447                        | <br>380,942             |
| <b>NET ASSETS AT BEGINNING OF YEAR</b>               | <u>838,665</u>          | <u>42,893</u>                     | <u>881,558</u>          |
| <br><b>NET ASSETS AT END OF YEAR</b>                 | <br><u>\$ 1,148,160</u> | <br><u>\$ 114,340</u>             | <br><u>\$ 1,262,500</u> |

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

**CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

|  | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>Total</u>      |
|--|---------------------|-----------------------------------|-------------------|
| <b>Support and Revenues</b>                          |                     |                                   |                   |
| Donations and Sponsorships                           | \$ 842,150          | \$ -                              | \$ 842,150        |
| In-Kind Donations at Fair Value                      | 18,555              | -                                 | 18,555            |
| Grants - Federal                                     | 1,450,628           | 216,293                           | 1,666,921         |
| Grants - Vendor Contracts                            | 675,351             | -                                 | 675,351           |
| Grants - Other                                       | 3,000               | 163,024                           | 166,024           |
| Registration and Tuition Fees                        | 15,202              | -                                 | 15,202            |
| Memberships  | 29,604              | -                                 | 29,604            |
| Interest   | 1,268               | -                                 | 1,268             |
| Contributions and Net Revenue from<br>Special Events |                     |                                   |                   |
| Special Event Revenue                                | 108,676             | -                                 | 108,676           |
| Other Revenue  | 1,310               | -                                 | 1,310             |
| Total  | <u>3,145,744</u>    | <u>379,317</u>                    | <u>3,525,061</u>  |
| Net Assets Released from Restrictions                | <u>355,583</u>      | <u>(355,583)</u>                  | <u>-</u>          |
| Total Support and Revenue                            | 3,501,327           | 23,734                            | 3,525,061         |
| <b>Expenses</b>                                      |                     |                                   |                   |
| Program Services                                     |                     |                                   |                   |
| Health Care  | 111,000             | -                                 | 111,000           |
| Early Childhood Education                            | 1,276,840           | -                                 | 1,276,840         |
| Early Head Start                                     | 1,157,928           | -                                 | 1,157,928         |
| Youth Development                                    | 259,548             | -                                 | 259,548           |
| Parenting Initiative                                 | 130,288             | -                                 | 130,288           |
| Total Program Services                               | <u>2,935,604</u>    | <u>-</u>                          | <u>2,935,604</u>  |
| Supporting Services                                  |                     |                                   |                   |
| Management & General                                 | 432,588             | -                                 | 432,588           |
| Fund Raising   | 121,556             | -                                 | 121,556           |
| Total Supporting Services                            | <u>554,144</u>      | <u>-</u>                          | <u>554,144</u>    |
| Total Expenses                                       | <u>3,489,748</u>    | <u>-</u>                          | <u>3,489,748</u>  |
| Change in Net Assets                                 | 11,579              | 23,734                            | 35,313            |
| <b>NET ASSETS AT BEGINNING OF YEAR</b>               | <u>827,086</u>      | <u>19,159</u>                     | <u>846,245</u>    |
| <b>NET ASSETS AT END OF YEAR</b>                     | <u>\$ 838,665</u>   | <u>\$ 42,893</u>                  | <u>\$ 881,558</u> |

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



**CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

|   | Program Services |                        |                     |                      |                         | Supporting Services          |                         |                 |                   |
|---|------------------|------------------------|---------------------|----------------------|-------------------------|------------------------------|-------------------------|-----------------|-------------------|
|   | Early            |                        | Early<br>Head Start | Youth<br>Development | Parenting<br>Initiative | Total<br>Program<br>Services | Management<br>& General | Fund<br>Raising | Total<br>Expenses |
|   | Health Care      | Childhood<br>Education |                     |                      |                         |                              |                         |                 |                   |
| Salaries                                  | \$ 53,284        | \$ 502,457             | \$ 620,693          | \$ 118,977           | \$ 219,755              | \$ 1,515,166                 | \$ 284,689              | \$ 43,265       | \$ 1,843,120      |
| Payroll Taxes                             | 4,137            | 39,014                 | 48,194              | 9,238                | 17,063                  | 117,646                      | 22,105                  | 3,359           | 143,110           |
| Related Benefits                          | 1,879            | 54,663                 | 58,688              | 12,553               | 19,933                  | 147,716                      | 17,167                  | 2,430           | 167,313           |
| Total Salaries and Related Expenses       | 59,300           | 596,133                | 727,575             | 140,768              | 256,751                 | 1,780,528                    | 323,960                 | 49,054          | 2,153,542         |
| Advertising                               | -                | 208                    | 195                 | 8,591                | -                       | 8,994                        | 5,510                   | 6,819           | 21,323            |
| Bank Charges                              | -                | -                      | -                   | -                    | -                       | -                            | 6,911                   | 600             | 7,511             |
| Board Expenses                            | -                | -                      | -                   | -                    | -                       | -                            | 2,076                   | -               | 2,076             |
| Computer Maintenance                      | 100              | 1,350                  | 6,259               | 91                   | -                       | 7,800                        | 3,405                   | -               | 11,205            |
| Contract for Services                     | 1,660            | 356,164                | 3,498               | 56,175               | 740                     | 418,237                      | 14,508                  | 55,175          | 487,920           |
| Dues and Subscriptions                    | -                | 980                    | 5,661               | 50                   | -                       | 6,691                        | 6,348                   | -               | 13,039            |
| Early Head Start Consultants & Volunteers | -                | -                      | 105,569             | -                    | -                       | 105,569                      | -                       | -               | 105,569           |
| Equipment Lease                           | 1,605            | 2,792                  | 2,363               | -                    | 3,214                   | 9,974                        | 441                     | -               | 10,415            |
| Fringe Benefits for Volunteers            | -                | -                      | 21,974              | -                    | -                       | 21,974                       | -                       | -               | 21,974            |
| Insurance                                 | -                | 1,877                  | 4,014               | -                    | -                       | 5,891                        | 6,359                   | -               | 12,250            |
| Internet                                  | -                | 455                    | 3,550               | 600                  | 1,991                   | 6,596                        | 1,363                   | -               | 7,959             |
| Janitorial                                | -                | 50                     | -                   | -                    | -                       | 50                           | 333                     | -               | 383               |
| Maintenance & Repairs                     | 2,236            | 5,933                  | 51,547              | 625                  | 2,630                   | 62,971                       | 3,022                   | -               | 65,993            |
| Meetings                                  | 68               | 3,601                  | 928                 | 7,089                | -                       | 11,686                       | 4,409                   | 15,537          | 31,632            |
| Miscellaneous                             | 100              | -                      | -                   | -                    | -                       | 100                          | 1,829                   | -               | 1,929             |
| Penalties                                 | -                | -                      | -                   | -                    | -                       | -                            | 644                     | -               | 644               |
| Postage and Delivery                      | 573              | 1,191                  | 364                 | -                    | -                       | 2,128                        | 562                     | -               | 2,690             |
| Printing & Reproduction                   | 1,918            | 7,204                  | 323                 | 1,963                | 755                     | 12,163                       | 858                     | 245             | 13,266            |
| Professional Development                  | 694              | 559                    | -                   | 1,490                | 625                     | 3,368                        | 3,360                   | -               | 6,728             |
| Professional Fees                         | 1,156            | 6,468                  | 2,935               | -                    | 1,400                   | 11,959                       | 3,585                   | -               | 15,544            |
| Rent                                      | 6,000            | 52,620                 | 69,360              | 4,035                | 30,000                  | 162,015                      | 13,274                  | 722             | 176,011           |
| Scholarships & Grants                     | 390              | 107,969                | -                   | 8,400                | -                       | 116,759                      | -                       | -               | 116,759           |
| Security                                  | -                | -                      | -                   | -                    | -                       | -                            | 251                     | -               | 251               |
| Sponsorships                              | -                | -                      | -                   | 6,873                | -                       | 6,873                        | -                       | 1,500           | 8,373             |
| Supplies                                  | 1,513            | 92,570                 | 101,361             | 15,523               | 14,498                  | 225,465                      | 17,972                  | 633             | 244,070           |
| Taxes & Licenses                          | -                | -                      | 540                 | -                    | -                       | 540                          | 15                      | -               | 555               |
| Telephone                                 | 1,748            | 3,690                  | 10,309              | 600                  | 5,407                   | 21,754                       | 810                     | -               | 22,564            |
| Training                                  | 6,240            | 37,633                 | 47,823              | -                    | 4,155                   | 95,851                       | -                       | -               | 95,851            |
| Travel                                    | 3,414            | 29,495                 | 9,240               | 12,950               | 8,522                   | 63,621                       | 2,020                   | 299             | 65,940            |
| Utilities                                 | 5,004            | 14,924                 | 29,792              | -                    | 4,020                   | 53,740                       | 4,619                   | -               | 58,359            |
| Total                                     | 93,719           | 1,323,866              | 1,205,180           | 265,823              | 334,708                 | 3,223,296                    | 428,444                 | 130,584         | 3,782,324         |
| Depreciation                              | 630              | 8,902                  | 8,104               | 1,787                | 2,251                   | 21,674                       | 2,881                   | 877             | 25,432            |
| Total Functional Expenses                 | \$ 94,349        | \$ 1,332,768           | \$ 1,213,284        | \$ 267,610           | \$ 336,959              | \$ 3,244,970                 | \$ 431,325              | \$ 131,461      | \$ 3,807,756      |

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

**CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

|  | <b>Program Services</b>          |                     |                         |                          |                             | <b>Supporting Services</b>    |                                 |                     |                       |
|--|----------------------------------|---------------------|-------------------------|--------------------------|-----------------------------|-------------------------------|---------------------------------|---------------------|-----------------------|
|  | <b>Early Childhood Education</b> |                     | <b>Early Head Start</b> | <b>Youth Development</b> | <b>Parenting Initiative</b> | <b>Total Program Services</b> | <b>Management &amp; General</b> | <b>Fund Raising</b> | <b>Total Expenses</b> |
|  | <b>Health Care</b>               |                     |                         |                          |                             |                               |                                 |                     |                       |
| Salaries                                   | \$ 48,163                        | \$ 542,651          | \$ 589,166              | \$ 130,388               | \$ 76,549                   | \$ 1,386,917                  | \$ 295,288                      | \$ 41,134           | \$ 1,723,339          |
| Payroll Taxes                              | 3,819                            | 43,029              | 46,718                  | 10,339                   | 6,070                       | 109,975                       | 23,415                          | 3,262               | 136,652               |
| Related Benefits                           | 3,097                            | 48,049              | 52,578                  | 11,864                   | 4,856                       | 120,444                       | 5,982                           | 2,733               | 129,159               |
| <b>Total Salaries and Related Expenses</b> | <b>55,079</b>                    | <b>633,729</b>      | <b>688,462</b>          | <b>152,591</b>           | <b>87,475</b>               | <b>1,617,336</b>              | <b>324,684</b>                  | <b>47,129</b>       | <b>1,989,150</b>      |
| Advertising                                | -                                | 633                 | 1,370                   | 4,002                    | -                           | 6,005                         | 9,294                           | 5,271               | 20,570                |
| Bank Charges                               | -                                | -                   | -                       | -                        | -                           | -                             | 2,482                           | -                   | 2,482                 |
| Board Expenses                             | -                                | -                   | -                       | -                        | -                           | -                             | 2,169                           | -                   | 2,169                 |
| Computer Maintenance                       | 1,047                            | 2,900               | 1,197                   | -                        | -                           | 5,144                         | 3,741                           | -                   | 8,885                 |
| Contract for Services                      | 2,438                            | 220,326             | 5,381                   | 45,673                   | 2,750                       | 276,568                       | 14,733                          | 45,090              | 336,391               |
| Contributions                              | -                                | 1,000               | -                       | -                        | -                           | 1,000                         | 50                              | -                   | 1,050                 |
| Dues and Subscriptions                     | -                                | 16,765              | 3,031                   | -                        | 14                          | 19,810                        | 1,754                           | -                   | 21,564                |
| Early Head Start Consultants & Volunteers  | -                                | -                   | 146,485                 | -                        | -                           | 146,485                       | -                               | -                   | 146,485               |
| Equipment Lease                            | 1,341                            | 2,520               | -                       | -                        | -                           | 3,861                         | 1,018                           | -                   | 4,879                 |
| Fringe Benefits for Volunteers             | -                                | -                   | 16,892                  | -                        | -                           | 16,892                        | -                               | -                   | 16,892                |
| Insurance                                  | -                                | 1,772               | 4,609                   | -                        | -                           | 6,381                         | 4,947                           | -                   | 11,328                |
| Interest                                   | -                                | -                   | -                       | -                        | -                           | -                             | 361                             | -                   | 361                   |
| Internet                                   | -                                | 151                 | 3,429                   | 600                      | -                           | 4,180                         | 1,652                           | -                   | 5,832                 |
| Janitorial                                 | -                                | -                   | -                       | -                        | -                           | -                             | 876                             | -                   | 876                   |
| Maintenance & Repairs                      | 3,256                            | 5,280               | 30,716                  | -                        | 2,000                       | 41,252                        | 4,357                           | -                   | 45,609                |
| Meetings                                   | -                                | 2,500               | 253                     | 6,994                    | 8                           | 9,755                         | 5,323                           | 13,363              | 28,441                |
| Miscellaneous                              | -                                | -                   | 150                     | 470                      | -                           | 620                           | 2,581                           | 160                 | 3,361                 |
| Postage and Delivery                       | 322                              | 1,169               | 433                     | 42                       | -                           | 1,966                         | 393                             | -                   | 2,359                 |
| Printing & Reproduction                    | 2,781                            | 15,100              | 1,522                   | 3,689                    | 1,136                       | 24,228                        | 1,465                           | 3,282               | 28,975                |
| Professional Development                   | 841                              | 4,554               | -                       | 2,865                    | -                           | 8,260                         | 6,462                           | -                   | 14,722                |
| Professional Fees                          | 1,056                            | 5,439               | 3,886                   | 475                      | -                           | 10,856                        | 4,673                           | -                   | 15,529                |
| Property Taxes                             | 11                               | 51                  | -                       | -                        | -                           | 62                            | 36                              | -                   | 98                    |
| Rent                                       | 6,141                            | 51,888              | 71,484                  | 665                      | 12,500                      | 142,678                       | 8,569                           | -                   | 151,247               |
| Scholarships & Grants                      | -                                | 164,673             | -                       | -                        | 300                         | 164,973                       | -                               | -                   | 164,973               |
| Security                                   | -                                | -                   | -                       | -                        | -                           | -                             | 383                             | -                   | 383                   |
| Sponsorships                               | -                                | -                   | -                       | 500                      | -                           | 500                           | -                               | 1,000               | 1,500                 |
| Supplies                                   | 1,703                            | 19,836              | 98,999                  | 26,982                   | 17,717                      | 165,237                       | 21,651                          | 3,042               | 189,930               |
| Taxes & Licenses                           | -                                | -                   | 580                     | -                        | -                           | 580                           | 15                              | 57                  | 652                   |
| Telephone                                  | 1,317                            | 3,676               | 8,836                   | 600                      | -                           | 14,429                        | 1,050                           | -                   | 15,479                |
| Training                                   | 25,630                           | 44,842              | 22,460                  | 394                      | -                           | 93,326                        | -                               | -                   | 93,326                |
| Travel                                     | 3,350                            | 47,548              | 10,336                  | 10,616                   | 3,644                       | 75,494                        | 1,939                           | 2,043               | 79,476                |
| Utilities                                  | 3,665                            | 18,728              | 26,753                  | -                        | 1,675                       | 50,821                        | 1,944                           | -                   | 52,765                |
| <b>Total</b>                               | <b>109,978</b>                   | <b>1,265,080</b>    | <b>1,147,264</b>        | <b>257,158</b>           | <b>129,219</b>              | <b>2,908,699</b>              | <b>428,603</b>                  | <b>120,437</b>      | <b>3,457,739</b>      |
| Depreciation                               | 1,022                            | 11,760              | 10,664                  | 2,390                    | 1,069                       | 26,905                        | 3,985                           | 1,119               | 32,009                |
| <b>Total Functional Expenses</b>           | <b>\$ 111,000</b>                | <b>\$ 1,276,840</b> | <b>\$ 1,157,928</b>     | <b>\$ 259,548</b>        | <b>\$ 130,288</b>           | <b>\$ 2,935,604</b>           | <b>\$ 432,588</b>               | <b>\$ 121,556</b>   | <b>\$ 3,489,748</b>   |

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

**CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC**  
**STATEMENTS OF CASH FLOWS**

|   | <b>YEAR ENDED JUNE 30</b> |             |
|---|---------------------------|-------------|
|   | <b>2017</b>               | <b>2016</b> |
| <b>Cash Flows From Operating Activities</b>   |                           |             |
| Change in Net Assets  | \$ 380,942                | \$ 35,313   |
| Adjustment to reconcile change in net assets<br>to net cash provided by (used in) operating activities: |                           |             |
| Depreciation  | 25,432                    | 32,009      |
| Changes in assets and liabilities:  |                           |             |
| Accounts Receivable   | 9,798                     | (174,162)   |
| Prepaid Expenses  | 10,360                    | (9,887)     |
| Accounts Payable  | 29,386                    | 35,693      |
| Accrued Payroll Liabilities   | 4,836                     | 1,437       |
| Net cash provided by (used in) operating activities   | 460,754                   | (79,597)    |
| <b>Cash Flows From Investing Activities</b>   |                           |             |
| Purchase of equipment   | (27,465)                  | (4,203)     |
| Net cash used in investing activities   | (27,465)                  | (4,203)     |
| <b>Cash Flows From Financing Activities</b>   |                           |             |
| Net payments of notes payable - LOC   | -                         | (14,836)    |
| Net cash used in financing activities   | -                         | (14,836)    |
| <b>Increase (Decrease) in Cash</b>  | 433,289                   | (98,636)    |
| <b>Cash at Beginning of Year</b>  | 511,383                   | 610,019     |
| <b>Cash at End of Year</b>  | \$ 944,672                | \$ 511,383  |

SUPPLEMENTAL DATA:

|               |      |        |
|---------------|------|--------|
| Interest Paid | \$ - | \$ 361 |
|---------------|------|--------|

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

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

**NOTE 1 - DESCRIPTION OF ORGANIZATION**

Children's Coalition for Northeast Louisiana, Inc. - a voluntary health and welfare organization (the Coalition) was established in 2000 to act as a coordinating agency to develop a comprehensive and integrated system of resources that support children and their families as they live and grow to their full potential.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Coalition conform to generally accepted accounting principles as applicable to voluntary health and welfare organizations. The more significant accounting policies of the Coalition are described below:

*A. Basis of Presentation*

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

The financial statements of the Coalition are presented as recommended by the Financial Accounting Standards Board in ASC 958-205 (formerly Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*). Under ASC 958-205, the Coalition is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At June 30, 2017 and 2016, the Coalition had no permanently restricted net assets.

*B. Contributions*

The Coalition has also adopted ASC 958-55 (formerly SFAS No. 116, *Accounting for Contributions Received and Contributions Made*). In accordance with ASC 958-55, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Under ASC 958-55, such contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the related time restrictions or when the funds are expended in accordance with the donor's intention. The organization has elected to recognize temporarily restricted contributions which are released from the restriction in the same year as unrestricted contributions.

The School Readiness Tax Credits are not considered restricted net assets. The Board of Directors has designated these contributions for support of School Readiness programs.

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

*C. Donated Services*

Members, agencies, business firms, volunteers and others contribute substantial services toward the fulfillment of projects initiated by the Coalition. No amounts have been recognized in the Statement of Activities because the criteria for recognition of such volunteer effort under ASC 958-55 have not been satisfied, except as discussed below.

In October, 2014, the Coalition was awarded an Early Head Start Grant from the Department of Health and Human Services, Administration for Children and Families. This grant requires a portion of the Federal funding be matched with non-federal funds including donated services. The donated services are given a value based on federal guidelines. These donated services included in income and expenses totaled \$191,621 and \$239,741 for years ended June 30, 2017 and 2016 respectively.

*D. Furniture and Equipment*

Furniture and equipment are stated at cost. All donated capital assets are recorded at fair market value on the date of the donation. Depreciation is computed on a straight-line basis over the useful lives of the assets using the following estimated lives:

|                         |              |
|-------------------------|--------------|
|                         | <u>Years</u> |
| Furniture and Equipment | 3 – 10       |

Expenditures for major renewals or betterments which extend the useful lives of property, improvements, and equipment are capitalized. Expenditures for maintenance and repairs are expensed as incurred. All expenditures for furniture and equipment in excess of \$500 were generally capitalized until November, 2015. At that time the Coalition adopted the same beginning limit as Early Head Start which is \$5,000.

*E. Leased Equipment Capitalized*

The imputed cost of leased equipment is capitalized and charged to earnings using the straight-line method of amortization over estimated useful lives of five years for financial reporting purposes. Generally, when items of leased property are retired or otherwise disposed of, the cost and related accumulated amortization are removed from the accounts and any resulting gain or loss is reflected in income. Amortization of assets under capital leases is included in depreciation expense for 2017 and 2016.

*F. Compensated Absences*

Employees earn forty hours of vacation after completing six months of employment. After one year, they earn eighty hours and after five years, they earn one hundred twenty hours increasing to one hundred sixty hours after ten years. Employees hired prior to January 1, 2016 earn eight days of sick leave after six months. After one year, they earn sixteen days increasing to twenty days after five years. Employees hired on or after January 1, 2016 continue earning the same number of sick days

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

based on the year(s) of employment, but it is on an accrued basis per pay period. The financial statements do not include any accrual for vacation or sick pay. The Coalition's policy is that vacation days are taken in the year accrued or compensated prior to year-end, but they can be carried over if approved by the Executive Director. Any approved carryover of vacation days is not considered material. Sick days may be accumulated to a maximum of 60 days; however, employees are not paid for any unused sick days upon termination.

*G. Functional Expenses*

Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases.

*H. Programs*

Children's Coalition's principal programs and primary funding sources are:

**Health Care:**

**Al's Pals: Kids Making Healthy Choices (NEDHSA, regional health contracts):** Al's Pals is a life skills program for 4 and 5 year olds. The bi-weekly program serves PK and Kindergarten students in 41 schools with 97 classrooms, as well as 4-year-olds in 9 childcare centers in Ouachita, Morehouse, and Union parishes. Funding for this program was initially through the Louisiana Department of Health and Hospitals—Office of Behavioral Health, but authority for contracting and funding was transferred to the Northeast Delta Human Services Authority in 2014. School Readiness Tax Credits also support the program in 12 Family Child Care Homes and 11 PK classrooms in Caldwell Parish, and regional health contracts with the Union School Board for additional classroom in Union Parish.

**U-ACT (LaPFS, SAMSHA, NEDHSA):** Funded by the Louisiana Partnership for Success as part of a Substance Abuse and Mental Health Services Administration (SAMSHA) grant, and administered by the Northeast Delta Human Services Authority (NEDHSA), U-ACT is a community coalition based in Union Parish that works together to develop a 5-year plan that will address underage drinking and prescription drug abuse.

**Generation Rx (Cardinal Health):** Building on the work already being done in Union Parish as part of U-ACT (LaPFS), Generation Rx is a collaboration with ULM School of Pharmacy students and a media campaign to educate youth about the dangers of prescription drug abuse.

**DEFY (TFL):** Funded by Tobacco Free Living this prevention program focuses on empowering youth to examine the ways in which tobacco is marketed to youth in Union Parish.

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Young Drivers Safety Initiative (LHSC):** The LA Highway Safety Commission (LHSC) provided funding to purchase the equipment and to provide the personnel to implement a Virtual Driving program to address distracted and impaired driving among high school and college students.

**Early Childhood Education and Early Head Start:**

**Northeast Louisiana Child Care Connections (LDOE):** Currently funded through the Louisiana Department of Education through Child Development Block Grant funds, this initiative was originally funded through the Department of Children and Family Services (DCFS). Child Care Connections is the Child Care Resource and Referral agency for 11 parishes in northeast Louisiana and provides: consumer education and referral services; training for child care providers and staff, and technical assistance in child care centers and in family child care homes. A major focus in the past year has been assisting childcare centers and consumers to navigate the changes in the system as part of the implementation of Act 3 of 2012. As the Resource and Referral agency for northeast Louisiana, the Children's Coalition is eligible to receive Louisiana School Readiness Tax Credit funds from businesses and corporations. These funds are used to support quality in and awareness of early care and education.

**Early Childhood Curriculum Certification Reimbursement (LDOE):** As part of the work done by Child Care Connections, the Louisiana Department of Education provided partial funding to Type III Child Care Centers to purchase approved Early Childhood Curriculum. Centers applied to Child Care Connections for 80% reimbursement from the state for curriculum purchased.

**Ouachita Parish Early Head Start (ACF, CACFP, UW):** Funding from the Office of Head Start—Administration for Children and Families (ACF) provided sixty slots for infants and toddlers in three centers and home-based care in Ouachita Parish. Early Head Start (EHS) targets low-income pregnant women and families with children from birth through age 3, most of whom are at or below the federal poverty level or who are eligible for Part C services under the Individuals with Disabilities Education Act in their state. The program provides early, continuous, intensive, and comprehensive child development and family support services. Funding from the CACFP Feeding Program is used as a supplement for food cost and a grant from United Way for formula and diapers is part of the non-federal match.

**Ouachita Parish Early Head Start Expansion/Partnership (ACF, CACFP):** Funding from the Office of Head Start—Administration for Children and Families (ACF) expanded the Early Head Start by 40 slots for infants and toddlers in five new classrooms, and 32 slots for infants and toddlers in partnership with Type III child care centers, Kiddie Garden and Living Way. Early Head Start (EHS) targets low-income pregnant women and families with children from birth through age 3, most of whom are at or below the federal poverty level or who are eligible for Part C services under the Individuals with Disabilities Education Act in their state. The program provides early, continuous, intensive, and comprehensive child development and family support services. Funding from the CACFP Feeding Program is used as a supplement for food cost.

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Mental Health Consultation (Tulane):** Funding from the Tulane Institute for Infant and Early Childhood Mental Health provides a mental health consultant to childcare centers for up to six months. The program is made possible by a grant from the Louisiana Department of Education (formally from the Louisiana Department of Children and Family Services).

**Ouachita Parish Early Childhood Network (LDOE, Lead Agencies, Lead Agencies—IDEA):** In its **fifth** year with funding from the Louisiana Department of Education, the Children's Coalition shifts from a "pilot" to Lead Agency for all publicly funded early childhood programs in Ouachita Parish: Type III child care centers, public school PreK, NSECD, Head Start and Early Head Start. The **Lead Agency** is charged to coordinate enrollment and assessment as part of the full implementation of the Louisiana Early Childhood Act (Act 3 of 2012).

**Morehouse Parish Early Childhood Network (LDOE, Lead Agencies, Lead Agencies—IDEA):** In its **fourth** year with funding from the Louisiana Department of Education, the Children's Coalition shifts from a "pilot" to Lead Agency for all publicly funded early childhood programs in Morehouse Parish: Type III child care centers, public and charter school PreK, and Head Start. The **Lead Agency** is charged to coordinate enrollment and assessment as part of the full implementation of the Louisiana Early Childhood Act (Act 3 of 2012).

**Richland Parish Early Childhood Network (LDOE, Lead Agencies, Lead Agencies—IDEA):** In its **third** year with funding from the Louisiana Department of Education, the Children's Coalition is the Lead Agency for all publicly funded early childhood programs in Richland Parish: Type III child care centers, public school PreK, Head Start and Early Head Start. The **Lead Agency** is charged to coordinate enrollment and assessment as part of the full implementation of the Louisiana Early Childhood Act (Act 3 of 2012).

**CLASS Pilot (LDOE):** This grant was administered through Ouachita Parish Early Childhood Network/Lead Agency, to provide training, stipends and support for three early childhood teachers that piloted a new coaching model from CLASS/Wingspan.

**PK-Expansion Classrooms (LDOE):** Louisiana was one of 13 states awarded by the Department of Education (DoE) to expand high-quality preschool programs in targeted communities that would serve as models for expanding preschool to all 4-year-olds from low- and moderate-income families. Ouachita Parish was one of six community networks chosen by the Louisiana Department of Education to implement the PK-Expansion grant in Monroe City Schools. The grant is a four-year award that provides 50 PK slots to families with at-risk children in a quality early learning center with a credentialed teacher who receives coaching and professional development. The grant is in its second year of implementation.



CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Ancillary Teaching Certificate/Believe and Prepare (LDOE):** This is a pilot program to develop and implement curricula in support of early childhood educators who are pursuing their ancillary teaching certificate and national CDA certification. The Ancillary Teaching Certificate implementation is funded by Pathways scholarships for a cohort of 20 early educators which will begin in FY 2016-2017; however, start up and curriculum development funding from a one-time Believe and Prepare grant began in Spring of FY 2015-2016.

**Early Childhood Comprehensive Systems (ECCS) Morehouse Kids 1<sup>st</sup> (HRSA, LDH):** This is the first year of a five-year award from Health Resources and Services Administration (HRSA) through the Louisiana Department of Health (LDH). Children's Coalition is one of two agencies working with the state in a national collaborative to build capacity for and test the validity of innovative strategies that increase school readiness for three-year-old children in Morehouse Parish.

**Youth Development:**

**S.O.S.—Signs of Suicide (Living Well, regional youth contract):** An evidence-based program, Signs of Suicide provides the education and screening for students in Monroe City and Ouachita Parish middle schools to identify signs of depression, self-injury and suicide in themselves and others and respond effectively. Funding for this program was initially through the Louisiana Department of Health and Hospitals—Office of Behavioral Health, but authority for contracting and funding was transferred to the Northeast Delta Human Services Authority in 2014. Funding was cut suddenly at the beginning of FY 2015-2016 and a small grant from Living Well with matching funds from schools participating in the project allowed the program to continue. Matching funding from Union Parish School Board, Bastrop High School, Lee Middle School, and Ouachita Jr. High enabled the program to be delivered to middle school students in Union, Morehouse, and Ouachita parishes.

**Literacy Plus (MHA, LEH):** An early literacy program that provides out-of-school activities for children and families who reside within the Monroe Housing Authority, Literacy Plus is funded in part by the Monroe Housing Authority. As part of a Housing and Urban Development (HUD) grant, the Housing Authority supports a 75% staff member at the Coalition to coordinate services and provides pass-through funds for a PK-2nd grade after-school and summer program at Berg Jones Elementary School, which borders on a housing authority community. Additional funding from the Louisiana Endowment for the Humanities provides support for Primetime Family Literacy Nights at Berg Jones Elementary School. These programs require 50% participation by Monroe Housing Authority residents in adjacent communities.

**Mapping Adolescent Health (LPHI):** Funded by Louisiana Public Health as part of a larger capacity-building initiative to address adolescent reproductive health, this initiative collected and analyzed local data from three sectors (Medical, Educational and Community-Based Organizations) to examine gaps and redundancies in adolescent reproductive health care and education in Ouachita Parish. LPHI is funded in part by a grant from the Packard Foundation that supports this work.

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Ouachita Youth Leadership Summit (community donations):** This was a one-day summit in October 2016 for middle and high school youth from 34 public and private schools in Ouachita Parish. Students were selected by school counselors to attend.

**Next Step Scholarships (community donations):** This fund was established in 2015 by a community member who wished to fill the gap caused by cuts to TOPS scholarships. Scholarships are tied to youth-related programs in Healthy Living (U-ACT), Youth Development (Ouachita Leadership Summit) and Parenting (Jus4Me). Participants in these programs are invited to apply for 2- and 4-year college scholarships ranging from 1,000 to 3,000 dollars.

**Parenting Initiative:**

**Jus4Me Teen Parenting (LCTF, UHC):** Funded by Louisiana Children's Trust Fund and rollover funds from a 2015 United Healthcare grant, the Jus4Me Teen Parenting program serves pregnant and parenting teens in three schools in Ouachita and Morehouse parishes. The program uses an evidence-based parenting curriculum in weekly sessions held on the school site to provide support for healthy pregnancy outcomes, connection to community services, including quality child care and high school graduation for teen mothers.

**Family Resource Center for Northeast Louisiana (DCFS):** Beginning February 1, 2016, CCNELA was awarded a 20-month contract for a Family Resource Center for the Monroe area by the Department of Children and Family Services. After that time, an ongoing contract will be awarded if the CCNELA is in compliance. The Family Resource Center works closely with DCFS to support families in their system who are in the reunification process. The center provides parenting classes, case management, visit coaching and supportive services such as life skills and peer-parenting.

*I. Income Taxes*

The Coalition is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code but must file an annual return with the Internal Revenue Service that contains information on its financial operations. The Coalition is required to review various tax positions it has taken with respect to its exempt status and determine whether in fact it continues to qualify as a tax-exempt entity. It must also consider whether it has nexus in jurisdictions in which it has income and whether a tax return is required in those jurisdictions. In addition, as a tax exempt entity, the Coalition must assess whether it has any tax positions associated with unrelated business income subject to income tax.

The Coalition does not expect any of these tax positions to change significantly over the next twelve months. Any penalties related to late filing or other requirements would be recognized as penalties expense in the Coalition's accounting records.

The Coalition is required to file U.S. federal Form 990 for informational purposes. Its federal income tax returns for the tax years 2013 and beyond remain subject to examination by the Internal Revenue Service.

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As of June 30, 2017, the Coalition had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Contributions to the Coalition are tax deductible within the limitations prescribed by the Code.

*J. Cash and Cash Equivalents*

For purposes of the Statements of Cash Flows, the Coalition considers demand deposits, time deposits and certificates of deposit with an original maturity of three months or less to be cash equivalents.

*K. Grants and Accounts Receivable*

Accounts receivable and receivables on grants are stated at the amount management expects to collect from outstanding balances.

*L. Accounting Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*M. Advertising Costs*

Advertising costs are expensed as incurred. Advertising costs totaled \$21,323 and \$20,570 for the years ended June 30, 2017 and 2016, respectively.

NOTE 3 - FURNITURE AND EQUIPMENT

Furniture and Equipment consisted of the following at June 30:

|                                | <u>2017</u>      | <u>2016</u>      |
|--------------------------------|------------------|------------------|
| Furniture and Equipment        | \$ 245,687       | \$ 225,499       |
| Less: Accumulated Depreciation | <u>(195,245)</u> | <u>(177,090)</u> |
| NET FURNITURE AND EQUIPMENT    | <u>\$ 50,442</u> | <u>\$ 48,409</u> |

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

NOTE 4 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of June 30 consist of the following:

|                           | 2017              | 2016             |
|---------------------------|-------------------|------------------|
| Youth Development         | \$ 49,339         | \$ 22,026        |
| Early Head Start          | 48,849            | -                |
| Early Childhood Education | (3,343)           | 9,537            |
| Parenting                 | 19,495            | 11,330           |
| Total                     | <u>\$ 114,340</u> | <u>\$ 42,893</u> |

NOTE 5 - LEASES

During the year ended June 30, 2017, the Coalition had one capital lease for a network server. The economic substance of this lease was that the Coalition was financing the acquisition of the network server through the lease. The network server was recorded as an asset and the lease was recorded as a liability. The lease was paid off in February, 2015 and the server was replaced in September, 2017.

The following is an analysis of the leased assets included in furniture and equipment at June 30:

|                                | 2017            | 2016            |
|--------------------------------|-----------------|-----------------|
| Equipment Under Capital Lease  | \$ 24,355       | \$ 24,355       |
| Less: Accumulated Depreciation | <u>(24,355)</u> | <u>(21,375)</u> |
| Total                          | <u>\$ -</u>     | <u>\$ 2,980</u> |

The Coalition leases three copy machines under operating leases. One leased copier is located at the Filhiol Early Head Start location and has a lease expiration date of February, 2021. Another leased copier is at the Louisville Avenue location and has a lease expiration date of May, 2020. The third copier is located at the Winnsboro Road location (Family Resource Center) and has a lease expiration date of May, 2018.

The Coalition leases office space under five different leases. Three were added when Early Head Start became part of the Coalition in October, 2014 and another was added when Family Resource Center became part of the Coalition in February 2016.

The lease for office space on Louisville Avenue was signed and commenced on July 12, 2007. The original contract ended March 31, 2016, but it was renewed in March 2015 for sixty months with a lease term ending March 31, 2021. The new monthly lease amount is \$5,079. Because the Coalition is moving to a new location in the fall of 2017, a termination of lease agreement was signed on July 11, 2017, with a termination date of February 1, 2018.

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016

NOTE 5 – LEASES (Continued)

Early Head Start leases three properties. One lease is with the Housing Authority of the City of Monroe. The term of the lease is from October 1, 2014 through October 31, 2017. The fair rental value of \$1,500 is being donated so there is no monthly rental paid.

The second lease is with the State of Louisiana/Board of Supervisors for University of Louisiana System. The lease term is from October 1, 2016 through June 30, 2017. On July 1, 2017, the lease was automatically renewed by mutual agreement of both parties. The fair rental is \$2,400 per month with a current monthly payment is \$610. The balance of the rental is currently being donated.

The Coalition has a Cooperative Endeavor Agreement with the City of West Monroe, Louisiana, the term of which is October 1, 2014 until September 30, 2017. The Agreement will automatically renew for successive terms of one year. The fair rental of \$1,700 per month is currently being donated so there is no monthly rental paid. There is a charge of \$150 per month to go toward utilities or similar costs incurred at the facility.

The Family Resource Center leases one property with the Housing Authority of the City of Monroe. The term of the lease is from February 1, 2016 through September 30, 2017. The fair rental of \$2,500 per month is currently being donated so there is no monthly rental. Starting March 1, 2017 through September 30, 2017 there is a charge of \$335 per month to go towards utilities or similar costs incurred at the facility.

Total lease and rent expense for the year ended June 30, 2017 and 2016, was \$ 176,011 and \$151,247. In-Kind contributions were included in these totals. For the Louisville office, In-Kind contributions for office space and meeting rooms was \$6,840 and \$4,380 for years ended June 30, 2017 and 2016 respectively. In-Kind contributions for buildings for Early Head Start and Family Resource Center of \$98,100 and \$75,380 for years ended June 30, 2017 and 2016. The In-kind contributions for the Family Resource Center were \$30,000 and \$12,500 for years ended June 30, 2017 and 2016.

The minimum rental under all leases having an initial or remaining term in excess of one year from June 30, 2017, are as follows:

| <u>Year Ending</u> | <u>Amount</u> |
|--------------------|---------------|
| 2018               | \$229,280     |
| 2019               | 153,768       |
| 2020               | 142,668       |
| 2021               | 137,352       |
| 2022               | 105,000       |

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

**NOTE 6 – FINANCIAL INSTRUMENTS**

**FAIR VALUES**

The Coalition's financial instruments consist of cash (restricted and unrestricted), receivables, accounts payable, other current liabilities, and the line of credit. The carrying values of these instruments approximate their fair values.

**CONCENTRATIONS OF CREDIT RISK**

The Coalition has concentrated credit risk for cash by maintaining deposits in one bank. At June 30, 2017, there were deposits of approximately \$829,891 in deposit liabilities reported by the bank in excess of the amount that would have been covered by federal insurance.

**COLLATERALIZATION POLICY**

The Coalition does not require collateral to support financial instruments subject to credit risk unless otherwise disclosed.

**NOTE 7 – SIMPLE-IRA PLAN**

Effective June 5, 2014, the Coalition adopted a SIMPLE-IRA Plan for eligible employees, with employee contributions beginning with July, 2014 payrolls. Currently eligible employees are those who are expected to receive at least \$5,000 in compensation in the current year. The Coalition matches employee contributions up to 3% of employee compensation. Employer contributions for the years ending June 30, 2017 and 2016 were \$19,430, and \$22,444 respectively.

**NOTE 8 - DISCLOSURES ABOUT CONCENTRATIONS**

The Coalition receives the majority of its revenue in the form of grants from various Federal and State agencies. These grants are subject to review by the grantor agencies, which could result in disallowed costs, and there are no guarantees as to future funding.

During the fiscal years ended June 30, 2017 and 2016, the Coalition received \$533,450 and \$589,293 respectively from School Readiness Tax Credits, a tax credit from the state of Louisiana. This tax credit depends on a number of factors including businesses being willing to give the Coalition donations and the Louisiana State Legislature continuing the credit in future years. As with the above-mentioned grants, there are no guarantees of future income.

The Children's Coalition was awarded a grant from the Department of Health and Human Services, Administration for Children and Families for \$4,776,486 for Early Head Start for the period August 1, 2014 through July 31, 2019 effective beginning October 1, 2014.

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

**NOTE 9 – RISK OF LOSS**

The Coalition is exposed to a variety of risks that may result in losses. These risks may include possible loss from acts of God, injury to employees, property damage, or breach of contract. The Coalition finances these potential losses through purchasing insurance. The level of coverage has remained constant.

**NOTE 10 – SUBSEQUENT EVENTS**

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through December 4, 2017, which is the date the financial statements were available to be issued.

The Coalition is planning to move to a new location on Hall Street in Monroe at the end of 2017. The new lease begins on December 1, 2017 and ends on November 30, 2022. If both parties agree, the lease will be automatically renewed for an additional 5 years. The Coalition made a deposit in April, 2017, of \$8,750, the amount of one month's rent. The first month's rent will be due on or before the date of occupancy.

When the move has taken place, the Family Resource Center (FRC) will be moved into the new building and the building that the FRC has been in will be converted into another site for Early Head Start.

SUPPLEMENTARY INFORMATION



**CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.**  
**SCHEDULE OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

|                                    | UNRESTRICTED |                                  |                               |              |                             |              |                  |                    |                               |              |                             |                             |                |                           |                                  |
|------------------------------------|--------------|----------------------------------|-------------------------------|--------------|-----------------------------|--------------|------------------|--------------------|-------------------------------|--------------|-----------------------------|-----------------------------|----------------|---------------------------|----------------------------------|
|                                    | Undesignated | Designated                       |                               |              |                             |              |                  |                    |                               |              |                             |                             |                |                           |                                  |
|                                    | General      | School<br>Readness<br>Tax Credit | NE Delta<br>HSA -Al's<br>Pals | Tulane<br>MH | Children's<br>Trust<br>Fund | LDOE-<br>CCR | Lead<br>Agencies | Pre-K<br>Expansion | Regional<br>Youth<br>Contract | DCFS-<br>FRC | Believe &<br>Prepare<br>ATC | Literacy<br>Plus<br>Program | H S A<br>LaPFS | USHHS<br>CACFP<br>Program | USHHS<br>ACF Early<br>Head Start |
| <b>Fund Balance July 1, 2016</b>   | \$ 458,347   | \$ 380,318                       | \$ -                          | \$ -         | \$ -                        | \$ -         | \$ -             | \$ -               | \$ -                          | \$ -         | \$ -                        | \$ 1,804                    | \$ 40          | \$ 2,431                  | \$ -                             |
| <b>Income</b>                      | 338,661      | 533,450                          | 115,049                       | 86,126       | 8,796                       | 357,110      | 205,968          | 325,621            | 14,900                        | 310,835      | 113,564                     | 41,429                      | 136,064        | 41,254                    | 1,176,237                        |
| <b>Expenditures</b>                | (410,547)    | (309,475)                        | (93,611)                      | (74,124)     | (8,127)                     | (332,133)    | (203,804)        | (346,273)          | (14,200)                      | (344,528)    | (94,290)                    | (38,832)                    | (135,881)      | (47,028)                  | (1,062,658)                      |
| <b>Net Income (Loss)</b>           | (71,886)     | 223,975                          | 21,438                        | 12,002       | 669                         | 24,977       | 2,164            | (20,652)           | 700                           | (33,693)     | 19,274                      | 2,597                       | 183            | (5,774)                   | 113,579                          |
| <b>Capital and Other Transfers</b> | 206,387      | (48,981)                         | (21,438)                      | (12,002)     | (669)                       | (24,977)     | (2,164)          | 20,652             | -                             | 33,693       | (19,274)                    | (3,501)                     | (223)          | -                         | (64,730)                         |
| <b>Fund Balance June 30, 2017</b>  | \$ 592,848   | \$ 555,312                       | \$ -                          | \$ -         | \$ -                        | \$ -         | \$ -             | \$ -               | \$ 700                        | \$ -         | \$ -                        | \$ 900                      | \$ -           | \$ (3,343)                | \$ 48,849                        |

| RESTRICTED            |                                 |                                  |                                 |                                  |                            |                 |               |                                |          |                              |                         |                   |                  | Total               |                 |
|-----------------------|---------------------------------|----------------------------------|---------------------------------|----------------------------------|----------------------------|-----------------|---------------|--------------------------------|----------|------------------------------|-------------------------|-------------------|------------------|---------------------|-----------------|
| NFS/<br>United<br>Way | United<br>Way/Flood<br>Recovery | EHS<br>Expansion/<br>Partnership | SOC<br>Fatherhood<br>Initiative | LA Public<br>Health<br>Institute | Junior<br>League<br>Jus4Me | Youth<br>Summit | UHC<br>Jus4Me | EC<br>Curriculum<br>Cert Reimb | ECCS     | Living<br>Well<br>Foundation | Tobacco-<br>Free Living | Highway<br>Safety | Generation<br>RX | Total<br>Restricted | Fund<br>Balance |
| 2,577                 | \$ 4,529                        | \$ -                             | \$ 1,675                        | \$ 14,652                        | \$ -                       | \$ 630          | \$ 9,655      | \$ -                           | \$ -     | \$ 4,900                     | \$ -                    | \$ -              | \$ -             | \$ 42,893           | \$ 881,558      |
| 38,000                | -                               | 84,613                           | -                               | 46,250                           | 10,000                     | 12,425          | -             | 44,871                         | 95,368   | 13,100                       | 3,700                   | 20,307            | 15,000           | 3,316,587           | 4,188,698       |
| (40,577)              | (4,529)                         | (57,203)                         | (1,675)                         | (29,295)                         | -                          | (5,125)         | (160)         | (30,871)                       | (85,366) | (10,536)                     | (2,962)                 | (9,796)           | (14,150)         | (3,087,734)         | (3,807,756)     |
| (2,577)               | (4,529)                         | 27,410                           | (1,675)                         | 16,955                           | 10,000                     | 7,300           | (160)         | 14,000                         | 10,002   | 2,564                        | 738                     | 10,511            | 850              | 228,853             | 380,942         |
| -                     | -                               | (27,410)                         | -                               | -                                | -                          | -               | -             | (14,000)                       | (10,002) | -                            | -                       | (10,511)          | (850)            | (157,406)           | -               |
| -                     | \$ -                            | \$ -                             | \$ -                            | \$ 31,607                        | \$ 10,000                  | \$ 7,930        | \$ 9,495      | \$ -                           | \$ -     | \$ 7,464                     | \$ 738                  | \$ -              | \$ -             | \$ 114,340          | \$ 1,262,500    |

**CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.  
SCHEDULE OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2016**

|                             | UNRESTRICTED |                                   |                               |              |                             |              |                  |                 |                       |                    |                               |                                |
|-----------------------------|--------------|-----------------------------------|-------------------------------|--------------|-----------------------------|--------------|------------------|-----------------|-----------------------|--------------------|-------------------------------|--------------------------------|
|                             | Undesignated | Designated                        |                               |              |                             |              |                  |                 |                       |                    |                               |                                |
|                             | General      | School<br>Readiness<br>Tax Credit | NE Delta<br>HSA -Al's<br>Pals | Tulane<br>MH | Children's<br>Trust<br>Fund | LDOE-<br>CCR | Lead<br>Agencies | R&M<br>Start-Up | Ouachita<br>Expansion | Pre-K<br>Expansion | Regional<br>Youth<br>Contract | Regional<br>Health<br>Contract |
| Fund Balance July 1, 2015   | \$ 359,134   | \$ 467,952                        | \$ -                          | \$ -         | \$ -                        | \$ -         | \$ -             | \$ -            | \$ -                  | \$ -               | \$ 2,779                      | \$ -                           |
| Income                      | 173,555      | 589,293                           | 115,049                       | 85,215       | 11,642                      | 468,277      | 117,500          | 52,634          | 6,314                 | 231,861            | 3,000                         | 6,810                          |
| Expenditures                | (420,961)    | (450,300)                         | (101,107)                     | (78,007)     | (11,057)                    | (446,945)    | (117,272)        | (51,263)        | (6,314)               | (256,336)          | (16,116)                      | (6,810)                        |
| Net Income (Loss)           | (247,406)    | 138,993                           | 13,942                        | 7,208        | 585                         | 21,332       | 228              | 1,371           | -                     | (24,475)           | (13,116)                      | -                              |
| Capital and Other Transfers | 346,619      | (226,627)                         | (13,942)                      | (7,208)      | (585)                       | (21,332)     | (228)            | (1,371)         | -                     | 24,475             | 10,337                        | -                              |
| Fund Balance June 30, 2016  | \$ 458,347   | \$ 380,318                        | \$ -                          | \$ -         | \$ -                        | \$ -         | \$ -             | \$ -            | \$ -                  | \$ -               | \$ -                          | \$ -                           |

| RESTRICTED   |                            |                                   |                       |                                 |                             |                             |                                 |                |                                  |               |                                   |                              |                     | Total           |
|--------------|----------------------------|-----------------------------------|-----------------------|---------------------------------|-----------------------------|-----------------------------|---------------------------------|----------------|----------------------------------|---------------|-----------------------------------|------------------------------|---------------------|-----------------|
| DCFS-<br>FRC | US HHS<br>CACFP<br>Program | US HHS<br>ACF Early<br>Head Start | NFS/<br>United<br>Way | United<br>Way/Flood<br>Recovery | Believe &<br>Prepare<br>ATC | Literacy<br>Plus<br>Program | SOC<br>Fatherhood<br>Initiative | H S A<br>LaPFS | LA Public<br>Health<br>Institute | UHC<br>Jus4Me | Junior<br>League/<br>Youth Summit | Living<br>Well<br>Foundation | Total<br>Restricted | Fund<br>Balance |
| -            | \$ 2,384                   | \$ 1,179                          | \$ -                  | \$ -                            | \$ -                        | \$ 125                      | \$ 1,975                        | \$ -           | \$ 6,217                         | \$ -          | \$ 4,500                          | \$ -                         | \$ 19,159           | \$ 846,245      |
| 76,440       | 39,971                     | 1,194,837                         | 38,000                | 20,000                          | 13,317                      | 49,017                      | -                               | 137,305        | 31,999                           | 50,000        | 7,525                             | 5,500                        | 2,762,213           | 3,525,061       |
| (76,996)     | (39,924)                   | (1,085,322)                       | (35,423)              | (15,471)                        | (13,317)                    | (47,338)                    | (300)                           | (137,265)      | (23,564)                         | (40,345)      | (11,395)                          | (600)                        | (2,618,487)         | (3,489,748)     |
| (556)        | 47                         | 109,515                           | 2,577                 | 4,529                           | -                           | 1,679                       | (300)                           | 40             | 8,435                            | 9,655         | (3,870)                           | 4,900                        | 143,726             | 35,313          |
| 556          | -                          | (110,694)                         | -                     | -                               | -                           | -                           | -                               | -              | -                                | -             | -                                 | -                            | (119,992)           | -               |
| -            | \$ 2,431                   | \$ -                              | \$ 2,577              | \$ 4,529                        | \$ -                        | \$ 1,804                    | \$ 1,675                        | \$ 40          | \$ 14,652                        | \$ 9,655      | \$ 630                            | \$ 4,900                     | \$ 42,893           | \$ 881,558      |

CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2017

| Federal Agency<br>Name  | Pass Through<br>Agency  | Federal Program Title  | CFDA<br>Number | Revenue<br>Recognized | Federal<br>Expenditures |
|---|---|--|----------------|-----------------------|-------------------------|
| United States Department of Health and Human Services<br>Administration for Children and Families | State of Louisiana Dept. of Children and Family Services                        | Child Care and Development Block Grant - CCDF<br>Believe and Prepare - Early Childhood                       | 93.575         | 113,564               | 94,290                  |
| United States Department of Health and Human Services<br>Administration for Children and Families | State of Louisiana Dept. of Children and Family Services                        | Child Care and Development Block Grant - Early Childhood<br>Community Network Child Care Classroom Expansion | 93.575         | 205,968               | 203,804                 |
| United States Department of Health and Human Services<br>Administration for Children and Families | State of Louisiana Dept. of Education   | Child Care Curriculum Initiative Certificate Reimbursement   | 93.575         | 44,871                | 30,871                  |
|   | Total CCDF Cluster  |  |                | 364,403               | 328,965                 |
| United States Department of Health and Human Services<br>Administration for Children and Families | State of Louisiana Office of Public Health                                      | Maternal and Child Health - Early Childhood<br>Comprehensive Systems   | 93.110         | 95,368                | 85,366                  |
| United States Department of Health and Human Services<br>Administration for Children and Families | State of Louisiana Dept. of Children and Family Services                        | Community-Based Child Abuse Prevention Grants  | 93.590         | 8,796                 | 8,127                   |
| United States Department of Health and Human Services<br>Administration for Children and Families | Northeast Delta Human Services Authority  | Substance Abuse Prevention and Treatment Block Grant   | 93.959         | 136,064               | 135,881                 |
| United States Department of Health and Human Services<br>Administration for Children and Families | State of Louisiana Dept. of Children and Family Services                        | Promoting Safe and Stable Families   | 93.566         | 310,835               | 344,528                 |
| United States Department of Education   | State of Louisiana Dept. of Education   | Preschool Development Grant - Expansion and Preschool<br>Expansion Improvement                               | 84.419B        | 325,621               | 346,273                 |
| United States Department of Transportation  | State of Louisiana Highway Safety Commission                                    | State and Community Highway Safety   | 20.600         | 20,307                | 9,796                   |
| United States Department of Health and Human Services<br>United States Department of Agriculture  | State of Louisiana Dept. of Education<br>Office of School and Community Support | Child and Adult Care Food Program  | 10.558         | 41,254                | 47,028                  |
| Total Pass Through Awards   |   |  |                | 1,302,648             | 1,305,964               |
| United States Department of Health and Human Services<br>Administration for Children and Families |   | Early Head Start Grant   | 93.600         | 1,026,045             | 1,101,490               |
|   |   | Combined Early Head Start Expansion<br>and EHS-Child Care Partnership  | 93.600         | 84,613                | 57,203                  |
| Total Grants - Federal  |   |  |                | \$ 2,413,306          | \$ 2,464,637            |

**CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED JUNE 30, 2017**

1. **Basis of Presentation:**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Children's Coalition for Northeast Louisiana, Inc. under programs of the federal government for the year ended June 30, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Children's Coalition for Northeast Louisiana, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Children's Coalition for Northeast Louisiana, Inc.

2. **Summary of Significant Accounting Policies**

- a) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- b) Children's Coalition for Northeast Louisiana, Inc. has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

3. Children's Coalition for Northeast Louisiana, Inc. did not expend any federal awards in the form of noncash assistance during the fiscal year. No federal awards were passed through to subrecipients.

**CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.**

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD**

**FOR THE YEAR ENDED JUNE 30, 2017**

Agency Head: Lynn Clark, Executive Director

|                      |        |
|----------------------|--------|
| Salary               | 83,000 |
| Benefits – insurance | 5,205  |
| Seminars             | 288    |
| Registration fees    | 230    |
| Conference travel    | 498    |

## OTHER REPORTS



# HEARD, McELROY, & VESTAL

LLC

CERTIFIED PUBLIC ACCOUNTANTS

333 TEXAS STREET, SUITE 1525  
SHREVEPORT, LOUISIANA 71101  
318-429-1525 PHONE • 318-429-2070 FAX

December 4, 2017

The Board of Directors  
Children's Coalition for Northeast Louisiana, Inc.  
Monroe, Louisiana

Independent Auditor's Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Children's Coalition for Northeast Louisiana, Inc. (a non-profit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 4, 2017.

## **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Children's Coalition for Northeast Louisiana, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Children's Coalition for Northeast Louisiana, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Children's Coalition for Northeast Louisiana, Inc.'s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Heard, McElroy & Vestal, LLC*

Monroe, Louisiana

# HEARD, McELROY, & VESTAL

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December 4, 2017

The Board of Directors  
Children's Coalition for Northeast Louisiana, Inc.  
Monroe, Louisiana

Independent Auditor's Report on Compliance for Each Major Federal Program  
and on Internal Control Over Compliance Required by The Uniform Guidance

## **Report on Compliance for Each Major Federal Program**

We have audited the Children's Coalition for Northeast Louisiana, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Children's Coalition for Northeast Louisiana, Inc.'s major federal programs for the year ended June 30, 2017. Children's Coalition for Northeast Louisiana, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

## **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Children's Coalition for Northeast Louisiana, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Children's Coalition for Northeast Louisiana, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Children's Coalition for Northeast Louisiana, Inc.'s compliance.



## Opinion on Each Major Federal Program

In our opinion, Children's Coalition for Northeast Louisiana, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

## Report on Internal Control Over Compliance

Management of Children's Coalition for Northeast Louisiana, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Children's Coalition for Northeast Louisiana, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Children's Coalition for Northeast Louisiana, Inc.'s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Heard, McElroy & Vestal, LLC*

Monroe, Louisiana

**CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED JUNE 30, 2017**

**A. Summary of Audit Results**

1. The auditor's report expresses an unmodified opinion on the basic financial statements of Children's Coalition for Northeast Louisiana, Inc.
2. No instances of noncompliance material to the basic financial statements of Children's Coalition for Northeast Louisiana, Inc. were disclosed during the audit.
3. No material weaknesses or significant deficiencies in internal control, relating to the audit of the financial statements are reported.
4. No material weaknesses in internal control over compliance, relating to the audit of a major federal award program, are reported.
5. The auditor's report on compliance for the major federal award programs for Children's Coalition for Northeast Louisiana, Inc. expresses an unmodified opinion.
6. There were no audit findings relative to major federal award programs for Children's Coalition for Northeast Louisiana, Inc.
7. The programs tested as major programs included:

| <u>Program</u>                | <u>CFDA No.</u> |
|-------------------------------|-----------------|
| DHHS – Early Head Start Grant | 93.600          |

8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Children's Coalition for Northeast Louisiana, Inc. was determined to be a low-risk auditee.

**B. Findings - Financial Statement Audit**

None

**C. Findings and Questioned Costs - Major Federal Award Programs**

None

**CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**FOR THE YEAR ENDED JUNE 30, 2017**

No findings were reported as a result of the prior year's audit.

**CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.**

**MANAGEMENT'S CORRECTIVE ACTION PLAN**

**FOR THE YEAR ENDED JUNE 30, 2017**

No findings were reported for the current year.

**CHILDREN'S COALITION FOR NORTHEAST LOUISIANA, INC.**

**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

**FOR THE YEAR ENDED JUNE 30, 2017**



# HEARD, McELROY, & VESTAL

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Board of Directors  
Children's Coalition For Northeast Louisiana, Inc.  
Monroe, Louisiana

Louisiana Legislative Auditor  
Baton Rouge, Louisiana

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated in the attachment to this report, which were agreed to by Children's Coalition For Northeast Louisiana, Inc. (CCNELA) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. CCNELA management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The findings obtained are described in the attachment to this report.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*Heard, McElroy & Vestal, LLC*

Monroe, Louisiana  
December 14, 2017

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**SUPPLEMENT TO INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

Children's Coalition for Northeast Louisiana, Inc.  
Agreed-Upon Procedures and Findings  
Year Ended June 30, 2017

***Written Policies and Procedures***

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Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving
  - d) ***Receipts***, including receiving, recording, and preparing deposits
  - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
  - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
  - g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
  - h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Findings

The entity's purchasing policy does not include procedures on how vendors are added to the vendor listing.

The entity's contracting policy does not address the monitoring process.

Except as otherwise stated, no exceptions were identified in the performance of the procedures listed above.

## ***Board (or Finance Committee, if applicable)***

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### Procedures

2. Obtain and review the board/committee minutes for the fiscal period, and:
  - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
  - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
    - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
  - c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

### Findings

No exceptions were identified in the performance of the procedures listed above.

## ***Bank Reconciliations***

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### Procedures

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.
4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
  - a) Bank reconciliations have been prepared;
  - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
  - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

## Findings

Management provided a listing of bank accounts and traced them to the general ledger for completeness. Management represented that the listing was complete.

There is no written evidence that management/board member independent of banking transactions reviewed the reconciliations.

We discussed the outstanding check policy with client. Efforts are made to contact payee, void, or reissue outstanding checks.

Except as otherwise stated, no exceptions were identified in the performance of the procedures listed above.

## *Collections*

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### Procedures

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). For each cash collection location selected:
  - a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
  - b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
  - c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
    - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
    - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.
7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic

confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

### Findings

Management indicated there was only one collection location.

The number of days from collection to deposit exceeded one day in the week tested. The entity collected checks during the week (4 days) and deposited all checks on Friday. No cash was collected, only checks.

Except as otherwise stated, no exceptions were identified in the performance of the procedures listed above.

### Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

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#### Procedures

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.
9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:
  - a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
  - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
  - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.
10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.
11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.
13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

### Findings

Management provided a listing of disbursements for the year ending June 30, 2017, asserting that the listing was complete.

The Director of Accounting has the ability to add vendors to the system as well as the authority to process payments.

The Executive Director and Director of Early Childhood Education have signatory authority and can initiate purchases. These purchases are reviewed by the Director of Accounting and the Director of Grants. Purchases are recorded by the Director of Accounting.

Blank checks are kept in locked location. Executive Director is the only employee with signatory authority that has access to blank checks; however, the Executive Director does not have access to QuickBooks to print checks.

Except as otherwise stated, no exceptions were identified in the performance of the procedures listed above.

### *Credit Cards/Debit Cards/Fuel Cards/P-Cards*

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#### Procedures

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

16. Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:
- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.
  - b) Report whether finance charges and/or late fees were assessed on the selected statements.
17. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).
- a) For each transaction, report whether the transaction is supported by:
    - An original itemized receipt (i.e., identifies precisely what was purchased)
    - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
    - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
  - b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
  - c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

## Findings

Management provided a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards and represented that the listing is complete.

Two of the cards were missing some original receipts for the month reviewed. Ten were missing from one card and one was missing from the other. Entity did not know the whereabouts of the missing receipts, but made attempts to locate them.

Credit card purchases are approved with the Credit Card Authorization Form. We found instances where the approval of the purchase was by the purchase initiator.

No late charges were paid on the selected statements.

No meal charges were selected for testing.

Except as otherwise stated, no exceptions were identified in the performance of the procedures listed above.

### ***Travel and Expense Reimbursement***

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#### **Procedures**

18. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.
19. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.
20. Using the listing or general ledger from #18 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
  - a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
  - b) Report whether each expense is supported by:
    - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
    - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
    - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
  - c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
  - d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.



## Findings

Management provided the general ledger detail for travel and reimbursement expenses and represented that the list is complete.

No exceptions were identified in the performance of the procedures listed above.

## *Contracts*

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### Procedures

21. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.
22. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:
  - a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
  - b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
    - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)  
*Not applicable.*
    - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
  - c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
  - d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
  - e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

## Findings

Management provided the Contracts for Services general ledger detail and represented that the list is complete.

We reviewed documentation noting that the majority of the contracts were personal services contracts – obtaining additional quotes not applicable.

No contract selected was amended and the contracts selected did not require Board Approval.

No exceptions were identified in the performance of the procedures listed above.

### ***Payroll and Personnel***

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23. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete.

Randomly select five employees/officials, obtain their personnel files, and:

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

24. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

25. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

26. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

### Findings

Management provided a listing of active employees and terminated employees with their related compensation and represented that the listing is complete.

All employee and employer portions for payroll taxes and contributions, and related required reporting forms, were submitted to the applicable agencies by the required deadlines.

Compensation paid to each selected employee was made in accordance with the terms and conditions of his contract or pay rate structure and pay rate or salary changes were approved in writing and in accordance with written policy.

No exceptions were identified in the performance of the procedures listed above.

## ***Other***

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### **Procedures**

27. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
28. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at [www.la.gov/hotline](http://www.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.
29. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

### **Findings**

No exceptions were identified in the performance of the procedures listed above.

### **Management's Response**

Management will look at procedures that are currently in place that do not meet the LLA's requirements to determine the changes necessary for compliance in future periods.