

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA

Component Unit Financial Statements
For the Year Ended December 31, 2020

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
COMPONENT UNIT FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor’s Report -----	1
Required Supplemental Information (Part A)	
Management’s Discussion and Analysis-----	5-7
<u>COMPONENT UNIT FINANCIAL STATEMENTS</u>	
<u>Governmental Activities</u>	
Government-Wide Financial Statements	
Statement of Net Position -----	9
Statement of Activities -----	10
Fund Financial Statements:	
Balance Sheet – Governmental Funds-----	12
Reconciliation of Total Governmental Fund Balances to	
Net Position of Governmental Activities -----	13
Statement of Revenues, Expenditures and	
Changes in Fund Balances -----	14
Reconciliation of the Statement of Revenues, Expenditures and Changes	
In Fund Balances of Governmental Funds to the Statement of Activities -----	15
Notes to Financial Statements -----	16-26
Required Supplemental Information (Part B)	
Budgetary Comparison Schedules	
General Fund -----	28
Transportation -----	29
Community Services Block Grant -----	30
LIHEAP -----	31
Notes to Budgetary Comparison Schedules -----	32
Schedule of Changes in Net OPEB Liability and Related Ratios-----	33
<u>OTHER SUPPLEMENTAL INFORMATION</u>	
Schedule of Compensation, Benefits and Other Payments -----	35
Independent Auditor’s Report and on Internal Control Over	
Financial Reporting And on Compliance And Other Matters	
Based on an Audit of Financial Statements Performed in	
Accordance With <i>Government Auditing Standards</i> -----	36-37
Schedule of Findings and Questioned Costs -----	38-39
Schedule of Prior Year Findings -----	40-41

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM R. HULSEY
A PROFESSIONAL ACCOUNTING CORPORATION
2207 LIBERTY STREET
MONROE, LOUISIANA 71201

william@hulseypac.com
(318) 362-9900
FAX (318)362-9921

INDEPENDENT AUDITOR'S REPORT

To the Health and Welfare Committee Members
Of the Humanitarian Enterprises of Lincoln Parish
Ruston, Louisiana

Report on the Financial Statements

I have audited the accompanying primary government financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Humanitarian Enterprises of Lincoln Parish (which is the "Center" as well as "the primary government"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

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 controls 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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, I 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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Humanitarian Enterprises of Lincoln Parish
Ruston, Louisiana

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Humanitarian Enterprises of Lincoln Parish, as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4-6, the Budgetary Comparison Information on pages 24-28, and the Schedule of Changes in Net OPEB Liability and Related Ratios on page 29 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context.

I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Center's primary government financial statements. The introductory section, combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements; the schedule of compensation, reimbursements, benefits and other payments to agency head, political subdivision head, or chief executive officer; and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining and individual nonmajor fund financial statements; the schedule of compensation, reimbursements, benefits and other payments to agency head, political subdivision head, or chief executive officer; and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Humanitarian Enterprises of Lincoln Parish
Ruston, Louisiana

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated September 27, 2021 on my consideration of the Center's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on 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 the Humanitarian Enterprises of Lincoln Parish's internal control over financial reporting and compliance.

WILLIAM R. HULSEY, (APAC)
Certified Public Accountant



September 27, 2021

REQUIRED SUPPLEMENTAL INFORMATION (PART A)
MANAGEMENT'S DISCUSSION AND ANALYSIS

**HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)**

Our discussion and analysis of the Humanitarian Enterprises of Lincoln Parish (H.E.L.P.) Center’s financial statements provides an overview of its activities for the year ended December 31, 2020. Please read it in conjunction with the H.E.L.P. Center’s financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the H.E.L.P. Center as a whole.

Reporting the H.E.L.P. Center as a Whole

The Statement of Net Position and the Statement of Activities

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector entities. All of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the H.E.L.P. Center’s net position and changes in them. The H.E.L.P. Center’s net position (the difference between assets and liabilities) measure the H.E.L.P. Center’s financial position. Increases or decreases in the H.E.L.P. Center’s net position are an indicator of whether its financial position is improving or not.

The H.E.L.P. Center AS A WHOLE

For the years ended December 31, 2020 and 2019, net position changed as follows:

	2020	2019
Beginning net position	\$ (27,718)	\$ (34,588)
Increase (decrease) in net position	126,973	6,870
Ending net position	\$ 99,255	\$ (27,718)

The H.E.L.P. Center’s FUNDS

The following schedule presents a summary of revenues and expenditures for the years ended December 31, 2020 and 2019:

Revenues	2020	Percent of Total	2019	Percent of Total
Grant receipts	\$ 659,988	96.12%	\$ 517,656	96.11%
Transportation fares	19,878	3.79%	19,076	3.79%
Miscellaneous	2,402	0.90%	452	0.10%
Total Revenues	\$ 682,268	100.00%	\$ 537,184	100.00%

Expenditures	2020	Percent of Total	2019	Percent of Total
Health and welfare	\$ 555,295	100.00%	\$ 530,314	100.00%

BUDGETARY HIGHLIGHTS

The actual revenue for the Transportation Fund fell short of budgeted revenues by \$63,303 due to a decline in riders covered by medical transportation services. LIHEAP actual revenues fell short of budgeted revenues by \$14,277 and expenditures were over budget by \$14,194.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2020, the H.E.L.P. Center had \$379,118 invested in capital assets (\$139,300 net of accumulated depreciation) including machinery and equipment and vehicles.

Assets	December 31, 2019	Additions	Disposals	December 31, 2020
Vehicles	\$ 247,402	\$ -	-	\$ 247,402
Furniture and Fixtures	50,620	-	-	50,620
Machinery & equipment	81,096	-	-	81,096
Total at historical cost	\$ 379,118	-	-	\$ 379,118
Less: Accumulated Depreciation:				
Vehicles	(114,804)	(24,469)	-	(139,273)
Furniture and Fixtures	(45,348)	-	-	(45,348)
Machinery & equipment	(55,197)	-	-	(55,197)
Capital assets, net	\$ 163,769	\$ (24,469)	-	\$ 139,300

Debt

At year end, the H.E.L.P. Center had a total liability of \$1,795 for compensated absences.

OTHER POST-EMPLOYMENT BENEFITS

In the year ended December 31, 2020, the H.E.L.P. Center has complied with requirements of Government Accounting Standards Board Statement Number 75, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions*. This statement requires that employers disclose the *Annual Required Contribution* and *Net Post-employment Benefit Obligation* as determined by actuarial computations.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The H.E.L.P. Center's revenues are derived mainly from a variety of grants and charges for fees. State budget cuts continue to be a tangible threat to the CSBG and LIHEAP programs. The Center is in talks to expand the Transportation program to include expanded services in the parish and should continue to recover from prior years' budget cuts. In light of the current state budget uncertainty, the Center must continue to monitor its limited resources to fit the needs of the citizens of Lincoln Parish and be aware of other funding opportunities that may present themselves.

CONTACTING THE H.E.L.P. CENTER'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the H.E.L.P. Center's finances and to show the H.E.L.P. Center's accountability for the funds received by it. If you have any questions about this report or need additional financial information, contact:

Doug Postel
Parish Administrator
100 West Texas Avenue
Post Office Box 979
Ruston, LA 71273

GOVERNMENT-WIDE FINANCIAL STATEMENTS

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	<u>Governmental Activities</u>
<i>Assets</i>	
Cash	\$ 134,189
Accounts Receivable	214,259
Due From Other Governments - LPPJ	990
Depreciable Assets	<u>139,300</u>
Total Assets	<u>488,738</u>
 <i>Liabilities</i>	
Accounts Payable	3,923
Due To Other Governments - LPPJ	169,234
Non-Current Liabilities	
Compensated Absenses	1,795
Postretirement Benefit Plan Payable	<u>214,531</u>
Total Liabilities	<u>389,483</u>
 <i>Net Position</i>	
Net Investment in Capital Assets	139,300
Unrestricted	<u>(40,045)</u>
Total Net Position	<u><u>\$ 99,255</u></u>

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

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Function/Program Activities					
Government Activities:					
Health and Welfare	\$ 555,295	\$ 19,878	\$ 659,988	\$ -	\$ 124,571
			General Revenues:		
			Interest Earned		2,402
			Total General Revenues		2,402
			Changes in Net Position		126,973
			Net Position - Beginning		(27,718)
			Net Position - Ending		\$ 99,255

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

FUND FINANCIAL STATEMENTS

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	<u>General Fund</u>	<u>Transportation</u>	<u>Community Service Block Grant</u>	<u>LIHEAP</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:						
Cash	\$ 3,157	\$ 22,791	\$ 56,189	\$ 51,283	\$ 769	\$ 134,189
Accounts Receivable	-	139,159	70,207	4,893	-	214,259
Due From Other Governments - LPPJ	-	169	716	105	-	990
Due From Other Funds	<u>2,505</u>	<u>2,083</u>	<u>44,774</u>	<u>29,172</u>	<u>-</u>	<u>78,534</u>
TOTAL ASSETS	<u>\$ 5,662</u>	<u>\$ 164,202</u>	<u>\$ 171,886</u>	<u>\$ 85,453</u>	<u>\$ 769</u>	<u>\$ 427,972</u>
Liabilities and Fund Equity						
Liabilities:						
Accounts Payable	\$ -	\$ -	\$ 3,862	\$ 39	\$ 22	\$ 3,923
Due To Other Governments - LPPJ	-	75,680	83,676	9,478	400	169,234
Due To Other Funds	<u>-</u>	<u>7,181</u>	<u>31,335</u>	<u>40,018</u>	<u>-</u>	<u>78,534</u>
Total Liabilities	<u>-</u>	<u>82,861</u>	<u>118,873</u>	<u>49,535</u>	<u>422</u>	<u>251,691</u>
Fund Balances:						
Restricted	-	81,341	53,013	35,918	-	170,272
Assigned	-	-	-	-	769	769
Unassigned	<u>5,662</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(422)</u>	<u>5,240</u>
Total Fund Balances	<u>5,662</u>	<u>81,341</u>	<u>53,013</u>	<u>35,918</u>	<u>347</u>	<u>176,281</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 5,662</u>	<u>\$ 164,202</u>	<u>\$ 171,886</u>	<u>\$ 85,453</u>	<u>\$ 769</u>	<u>\$ 427,972</u>

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

HUMANITARIAN ENTERPRISES OF
LINCOLN PARISH
RUSTON, LOUISIANA
RECONCILIATION OF TOTAL GOVERNMENTAL
FUND BALANCES TO NET POSITION OF
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2020

Total Governmental Fund Balances	\$ 176,281
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	139,300
Compensated absences are not due and payable in the current period and therefore are not reported in the funds.	(1,795)
Unfunded postretirement benefit plan obligations are not financial expenditures and therefore are not reported in the funds.	<u>(214,531)</u>
Net Position of Governmental Activities	<u><u>\$ 99,255</u></u>

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

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>General Fund</u>	<u>Transportation</u>	<u>Community Service Block Grant</u>	<u>LIHEAP</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Intergovernmental revenues:						
Grant receipts	\$ -	\$ 340,195	\$ 243,390	\$ 76,403	\$ -	\$ 659,988
Transportation fares	-	19,878	-	-	-	19,878
Miscellaneous	339	10	1,997	56	-	2,402
Total revenues	<u>339</u>	<u>360,083</u>	<u>245,387</u>	<u>76,459</u>	<u>-</u>	<u>682,268</u>
Health and Welfare Expenditures						
Personnel and Fringe Benefits	-	215,108	149,300	80,992	-	445,400
Vehicle Maintenance and Insurance	-	44,543	-	-	-	44,543
Operating Services and Supplies	-	11,116	-	-	-	11,116
Travel	-	1,652	-	-	-	1,652
Energy and Emergency Assistance	-	-	84,521	-	-	84,521
Emergency Crisis and Rent Assistance	-	-	-	-	-	-
Other Support Costs	-	2,329	25,523	8,990	-	36,842
Purchase of Fixed Assets	-	-	-	-	-	-
Total Health and Welfare Expenditures	<u>-</u>	<u>274,748</u>	<u>259,344</u>	<u>89,982</u>	<u>-</u>	<u>624,074</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>339</u>	<u>85,335</u>	<u>(13,957)</u>	<u>(13,523)</u>	<u>-</u>	<u>58,194</u>
Net Change in Fund Balance	339	85,335	(13,957)	(13,523)	-	58,194
Fund Balances, Beginning (Restated)	<u>5,323</u>	<u>(3,994)</u>	<u>66,970</u>	<u>49,441</u>	<u>347</u>	<u>118,087</u>
Fund Balances, Ending	<u>\$ 5,662</u>	<u>\$ 81,341</u>	<u>\$ 53,013</u>	<u>\$ 35,918</u>	<u>\$ 347</u>	<u>\$ 176,281</u>

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

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
RECONCILIATION OF TOTAL GOVERNMENTAL
FUND BALANCES TO NET POSITION OF
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Net Change in Fund Balances - Total Governmental Funds	\$ 58,194
--	-----------

Amounts reported for governmental activities in the statement of activities are different because:

Government funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Fixed Asset Additions	-
Depreciation expense	(24,469)
	(24,469)

The change in compensated absences liability does not require the use of current financial resources but is recorded as an expense in the statement of activities.	1,245
--	-------

Postretirement benefit plan expenditures	92,003
	92,003

Change in Net Position in Governmental Activities	\$ 126,973
	\$ 126,973

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

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Humanitarian Enterprises of Lincoln Parish (the Center), a component unit and integral part of the Lincoln Parish Police Jury, was organized to promote and develop economic opportunities for the people of Lincoln Parish. The Center is operated exclusively for charitable and educational purposes. The accompanying financial statements are intended to present the financial position and results of operations of only the transactions of the Humanitarian Enterprises of Lincoln Parish.

The Center complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note.

Basis of Presentation

In June, 1999, the GASB unanimously approved statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the presentation of its funds financial information include, for the first time a Management Discussion and Analysis (MD&A) section providing an analysis of the H.E.L.P. Center’s overall financial position and results of operations and financial statements prepared using full accrual accounting for all fund activities. These and other changes are reflected in the accompanying financial statements including the notes to the financial statements.

Reporting Entity

As the governing authority of the parish, for reporting purposes, the Lincoln Parish Police Jury is the financial reporting entity for Lincoln Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Lincoln Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity – Continued

2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints a voting majority of its governing body, the Center was determined to be a component unit of the Lincoln Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Center and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements – The governmental-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements – The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, the Center considers revenues to be available if they are collected within 60 days of the end of the current fiscal year end.

Principal revenue sources considered susceptible to accrual include federal grants, interest on investments, sales and income taxes, and lease payments receivable. Some revenue items that are considered measurable and available to finance operations during the year from an accounting perspective are not available for expenditure due to the Center's present appropriation system. These revenues have been accrued in accordance with accounting principles generally accepted in the United States of America since they have been earned and are expected to be collected within sixty days of the end of the period. Other revenues are considered to be measurable and available only when cash is received by the Center. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Modifications to the accrual basis of accounting include:

- Employees' vested annual leave is recorded as an expenditure when utilized. The amount of accumulated annual leave unpaid at December 31, 2020 has been reported only in the government-wide financial statements.
- Interest on general long-term obligations is recognized when paid.
- Debt service expenditures are recorded only when payment is due.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting

The financial activities of the Center are recorded in individual funds, each of which is deemed to be a separate accounting entity. The Center uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental Funds

General Fund – This fund accounts for all activities of the Center not specifically required to be accounted for in other funds. Included are transactions for services such as general government, health services, public safety, regulatory services and social services.

Transportation - This fund is derived from the following resources: Section 5311 of the Rural Public Transportation Act, Title XIX from the Louisiana State Medicaid Program for Transportation, Margaret Roan Industries, Office of Family Securities for Project Independence and Transportation Fares. Section 5311 funds, once reimbursed from the state, can be used for any expense of the Center. These funds represent a fifty percent reimbursement of the deficit cost of operation to provide Rural Public Transportation. Title XIX funds are used solely for transportation purposes.

Emergency Food and Shelter - A program to provide assistance on an emergency basis for persons being threatened by eviction or other hardship. Clients must present proof of income and proof of eviction or other difficulty i.e. late payment notice. They must also present proof of an emergency or crisis situation that prevents their paying the amount.

Low Income Home Energy Assistance Program - Energy Fund - These funds are dedicated for the use of Home Energy Assistance only. Ninety-five percent of all funds received are to be used to provide approximately 279 units of service (energy benefits) for eligible residents of Lincoln Parish. Funds may only be expended for line items approved by the funding resource. Assistance is limited to \$190 per family in a six-month period.

Community Service Block Grant Fund - This fund is provided through the Louisiana Department of Labor for the administrative cost of the Center. Levels of funding fluctuate from year to year depending upon CSBG appropriations by the United States Congress. This fund will provide for administrative cost such as salaries, fringe benefits, audit cost, travel, etc. This fund requires prior approval of expenditures by the funding source.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgeting Procedures

The Humanitarian Enterprises of Lincoln Parish prepares annual budgets for the general and special revenue funds. The budgets are prepared on a modified accrual basis of accounting. Budgeted amounts in the accompanying financial statements include original adopted budget amounts and all subsequent amendments. Appropriations which are not expended lapse at year end. The executive director of the H.E.L.P Center and the secretary-treasurer of the Police Jury are authorized to transfer budget amounts within a function by object classification; however, any revisions that alter the total expenditures of any function must be approved by the executive director of the H.E.L.P Center or the Lincoln Parish Police Jury. The level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis.

Fixed Assets

Fixed assets of the Center are stated at cost and are reported in the government-wide financial statements. Depreciation of all exhaustible fixed assets are charged as an expense against operations. Depreciation is computed using the straight-line method over the estimated useful lives of 5 years.

Compensated Absences

Employees accrue from 5 to 15 days of annual and sick leave each year depending on years of service with the H.E.L.P. Center. Annual leave must be used in the year it is earned. Sick leave up to a maximum of 15 days may be carried forward to the next year for major illnesses only. Upon separation, all unused sick leave lapses.

Due to the restrictions on use of accrued sick leave, a provision of \$4,493 has been made for the compensated absences and vacation in these financial statements.

Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. In the process of aggregating data for the statements of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified.

Funding Policies

The Center receives their monies through various methods of funding. Most of the funds are obtained on a grant basis. Under this method, funds are received on an allocation basis in advance of the actual expenditure. The Center also receives funds as a reimbursement of actual expenditures.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash

Cash includes demand deposits and money market accounts. Under state law, the Humanitarian Enterprises of Lincoln Parish may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union or the laws of the United States. Further, the Humanitarian Enterprises of Lincoln Parish may invest in the time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Fund Equity

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

Restricted Fund Balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the police jurors – the government’s highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the police jurors remove the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Fund Balance – This classification reflects the amounts constrained by the Police Jury’s “intent” to be used for specific purposes, but are neither restricted nor committed. The police jurors and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned Fund Balance – This fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Policy Jury’s policy to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 – CASH AND CASH EQUIVALENTS

Custodial Credit Risk – Deposits. The custodial credit risk is the risk that in the event of a bank failure, the Center’s deposits may not be returned to it. The Center’s policy to ensure there is no exposure to this risk is to require each financial institution to pledge its’ own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Center that the fiscal agent bank has failed to pay deposited funds upon demand. Accordingly, the Center had no custodial credit risk related to its deposits at December 31, 2020. The Center had cash and cash equivalents in demand deposits, totaling \$134,189 at December 31, 2020. These deposits are stated at cost, which approximates market. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances other than these backed by the U.S. government) at December 31, 2020, are secured, as follows:

Bank Balances	<u>\$ 133,195</u>
FDIC Insurance	-
Pledged Securities (uncollateralized)	<u>133,195</u>
Total	<u>\$ 133,195</u>

NOTE 3 - DUE FROM OTHER GOVERNMENTAL UNITS

The uncollected balance of grants due to the individual agencies is shown as due from other governmental units.

NOTE 4 – PROPERTY AND EQUIPMENT

Capital asset activity for the year ended December 31, 2020 is as follows:

	December 31, 2019	Additions	Disposals	December 31, 2020
	<u>Balance</u>			<u>Balance</u>
Depreciable Assets:				
Vehicles	\$ 247,402	\$ -	-	\$ 247,402
Furniture and Fixtures	50,620	-	-	50,620
Machinery & Equipment	<u>81,096</u>	-	-	<u>81,096</u>
Totals at Historical Cost	<u>379,118</u>	-	-	<u>379,118</u>
Less Accumulated Depreciation for:				
Vehicles	(114,804)	(24,469)	-	(139,273)
Furniture and Fixtures	(45,348)	-	-	(45,348)
Machinery & Equipment	<u>(55,197)</u>	-	-	<u>(55,197)</u>
Total Accumulated Depreciation	<u>(215,349)</u>	<u>(24,469)</u>	-	<u>(239,818)</u>
 CAPITAL ASSETS, NET	 <u>\$ 163,769</u>	 <u>\$(24,469)</u>	 <u>\$ -</u>	 <u>\$ 139,300</u>

Depreciation was charged to the Health and Welfare function of the Center for \$24,469.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 5 – ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2020 were \$214,259 and consisted of grant reimbursements. Based on prior experience, the uncollectible receivables are considered immaterial, thus no provision has been made for such loss in these financial statements.

NOTE 6 - DUE FROM/TO OTHER FUNDS

The due from/to other funds at December 31, 2020, are as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Funds:		
General Fund	\$ -	\$ -
CSBG Funds	44,815	31,335
Transportation	2,097	7,181
LIHEAP Energy	<u>31,622</u>	<u>40,018</u>
Totals	<u>\$ 78,534</u>	<u>\$ 78,534</u>

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

NOTE 7 - PENSION PLAN

The Parochial Employees' Retirement System, a Public Employee Retirement System, is a cost sharing multiple-employer plan that is governed by the Louisiana Revised Statutes, Title II, Sections 1901 through 2015, specifically, and other general laws of the State of Louisiana.

Under the Parochial Retirement System, a member is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, or 25 years of creditable service and is at least 55 years old, or 10 years of creditable service and is at least 60 years old. The monthly retirement benefit is equal to three percent of the member's coverage monthly compensation for any 36 months of consecutive service in which compensation was highest, multiplied by years of creditable service, not to exceed 100% of member's final compensation. Retirement benefits are payable monthly for the life of the retiree, and upon the retiree's death under certain conditions are payable to the retiree's surviving spouse and minor children.

The District's net pension liability is reported with the Lincoln Parish Police Jury, primary government financial statements.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Parochial Employees' Retirement System, P.O. Box 14619, Baton Rouge, Louisiana 70898.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 8 – OTHER POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

General Information about the OPEB Plan

Plan description – The Humanitarian Enterprises of Lincoln Parish (HELP) provides certain continuing health care and life insurance benefits for its retired employees. The Humanitarian Enterprises of Lincoln Parish’s OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by HELP. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with HELP. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB).

Benefits Provided – Medical and life insurance benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees are covered by Plan A of the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2007 retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service. Employees hired on and after January 1, 2008 are not eligible for any retiree health coverage.

Life insurance coverage is provided to retirees for 50% of the active level and 100% of the rate is paid by the employer.

Employees covered by benefit terms – At December 31, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	6
	8

Total OPEB Liability

HELP’s total OPEB liability of \$214,531 was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.0%
Salary increases	3.0%, including inflation
Discount rate	2.74% annually (Beginning of Year to Determine ADC)
	2.12%, annually (As of End of Year Measurement Date)
Healthcare cost trend rates	5.5% annually until year 2030, then 4.5%
Mortality	SOA RP-2014 Table

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2020, the end of the applicable measurement period.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 8 – OTHER POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS – Continued

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2020.

Changes in the Total OPEB Liability

Balance at December 31, 2019	\$ 306,534
Changes for the year:	
Service cost	10,395
Interest	8,541
Differences between expected and actual experience	(198,926)
Changes in assumptions	106,935
Benefit payments and net transfers	(18,948)
Net changes	(92,003)
Balance at December 31, 2020	\$ 214,531

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Center, as well as what the Center’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.12%) or 1-percentage-point higher (3.12%) than the current discount rate:

	1.0% Decrease (1.12%)	Current Discount Rate (2.12%)	1.0% Increase (3.12%)
Total OPEB liability	\$ 245,040	\$ 214,531	\$ 189,670

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Center, as well as what the Center’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 192,148	\$ 214,531	\$ 241,226

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020, HELP recognized OPEB expense of \$13,867. At December 31, 2020, HELP reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 8 – OTHER POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS – Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,860	\$ (186,749)
Changes in assumptions	133,524	(15,186)
Total	\$ 138,384	\$ (201,935)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Years ending December 31:</u>	
2021	(5,069)
2022	(5,069)
2023	(5,069)
2024	(5,069)
2025	(5,069)
Thereafter	(38,205)

NOTE 9 - FEDERALLY ASSISTED PROGRAMS

The Center receives significant financial assistance from numerous federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements.

NOTE 10 - DEFERRED COMPENSATION PLAN

Employees of the Humanitarian Enterprises of Lincoln Parish may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments). The deferred compensation plan is available to all employees of the Humanitarian Enterprises of Lincoln Parish. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. In accordance with the provisions of GASB Statement No. 32 and 34, plan balances and activities are not reflected in the financial statements of the Humanitarian Enterprises of Lincoln Parish.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 11 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget/Actual Variances

When comparing budget to actual revenue and expenditure amounts for the year ended December 31, 2020, the following governmental funds had variances greater than 5%:

	<u>Budget</u>	<u>Actual</u>	<u>Variances</u> <u>(Unfavorable)</u>
Transportation Fund			
Intergovernmental Revenues	\$ 211,145	\$ 274,487	\$ (63,303)
LIHEAP Fund			
Intergovernmental Revenues	\$ 90,736	\$ 76,459	\$ (14,277)
Expenditures	\$ 75,788	\$ 89,982	\$ (14,194)

NOTE 12 - LITIGATION AND CLAIMS

According to the Parish District Attorney, the Humanitarian Enterprises of Lincoln Parish had no pending or threatened litigation as of December 31, 2020.

NOTE 13 – CARES ACT FUNDING

During the year, the Agency received CARES Act funding in the amount of \$309,881 through the Louisiana Workforce Commission, Community Services Block Grant. The term of the grant is for the federal fiscal year 2020-2022. As of December 31, 2020, none of this funding has been received as reimbursement for CSBG expenditures.

NOTE 14 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 27, 2021, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

**REQUIRED SUPPLEMENTAL INFORMATION (PART B)
BUDGETARY COMPARISON SCHEUDLES**

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Intergovernmental Revenue	\$ -	\$ -	\$ -	\$ -
Use of Money and Property	-	-	339	339.00
Total Revenue	-	-	339	339.00
<u>Expenditures (Outflows):</u>				
Other Support Costs	-	-	-	-
Total Expenditures	-	-	-	-
<u>Excess of Revenues Over Expenditures</u>				
	-	-	339	339.00
<u>Fund Balance at Beginning of Year</u>	<u>5,323</u>	<u>5,323</u>	<u>5,323</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 5,323</u>	<u>\$ 5,323</u>	<u>\$ 5,662</u>	<u>\$ 339.00</u>

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

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - TRANSPORTATION
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Intergovernmental Revenue	\$ 196,530	\$ 196,530	\$ 340,195	\$ 143,665
Fees & Charges for Services	15,656	15,656	19,878	4,222
Other Revenues	27	27	10	(17)
Total Revenues	<u>212,213</u>	<u>212,213</u>	<u>360,083</u>	<u>147,870</u>
<u>Expenditures (Outflows):</u>				
Program Activities & Administration	<u>211,445</u>	<u>211,445</u>	<u>274,748</u>	<u>(63,303)</u>
Total Expenditures	<u>211,445</u>	<u>211,445</u>	<u>274,748</u>	<u>(63,303)</u>
<u>Deficiency of Revenues Over</u>				
<u>Expenditures</u>	768	768	85,335	84,567
<u>Fund Balance at Beginning of Year</u>	<u>(3,994)</u>	<u>(3,994)</u>	<u>(3,994)</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ (3,226)</u>	<u>\$ (3,226)</u>	<u>\$ 81,341</u>	<u>\$ 84,567</u>

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

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE -
COMMUNITY SERVICES BLOCK GRANT (CSBG)
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Intergovernmental Revenue	\$ 245,712	\$ 245,712	\$ 243,390	\$ (2,322)
Other Revenue	252	252	1,997	1,745
Total Revenues	<u>245,964</u>	<u>245,964</u>	<u>245,387</u>	<u>(577)</u>
<u>Expenditures (Outflows):</u>				
Program Activities & Administration	266,026	266,026	259,344	6,682
Total Expenditures	<u>266,026</u>	<u>266,026</u>	<u>259,344</u>	<u>6,682</u>
<u>Deficiency of Revenues Over</u>				
<u>Expenditures</u>	(20,062)	(20,062)	(13,957)	6,105
<u>Fund Balance at Beginning of Year</u>	<u>66,970</u>	<u>66,970</u>	<u>66,970</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 46,908</u>	<u>\$ 46,908</u>	<u>\$ 53,013</u>	<u>\$ 6,105</u>

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

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - LIHEAP
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Intergovernmental Revenue	\$ 90,736	\$ 90,736	\$ 76,459	\$ (14,277)
Total Revenues	<u>90,736</u>	<u>90,736</u>	<u>76,459</u>	<u>(14,277)</u>
<u>Expenditures (Outflows):</u>				
Program Activities & Administration	75,788	75,788	89,982	(14,194)
Total Expenditures	<u>75,788</u>	<u>75,788</u>	<u>89,982</u>	<u>(14,194)</u>
<u>Deficiency of Revenues Over</u>				
<u>Expenditures</u>	14,948	14,948	(13,523)	(28,471)
<u>Fund Balance at Beginning of Year</u>	<u>49,441</u>	<u>49,441</u>	<u>49,441</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 64,389</u>	<u>\$ 64,389</u>	<u>\$ 35,918</u>	<u>\$ (28,471)</u>

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

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2020

The Humanitarian Enterprises of Lincoln Parish prepares annual budgets for the general and special revenue funds. The budgets are prepared on a modified accrual basis of accounting. Budgeted amounts in the accompanying financial statements include original adopted budget amounts and all subsequent amendments. Appropriations which are not expended lapse at year end. The executive director of the H.E.L.P Center and the secretary-treasurer of the Police Jury are authorized to transfer budget amounts within a function by object classification; however, any revisions that alter the total expenditures of any function must be approved by the executive director of the H.E.L.P Center or the Lincoln Parish Police Jury. The level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis.

State law requires the Center to amend its budgets when revenues plus projected revenues within a fund are expected to fall short from budgeted revenues by five percent or more and when expenditures and other uses of a fund are expected to exceed budgeted amounts by five percent or more.

HUMANTIARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB Liability			
Service Cost	\$ 4,365	\$ 3,734	\$ 10,395
Interest	10,093	10,764	8,541
Changes of Benefit Terms	-	-	-
Changes Between Expected and Actual Experience	(6,049)	6,075	(198,926)
Changes of Assumptions	(20,881)	44,375	106,935
Benefit Payments	(18,085)	(19,080)	(18,948)
Net Change in Total OPEB Liability	<u>(30,557)</u>	<u>45,868</u>	<u>(92,003)</u>
Total OPEB Liability - Beginning	<u>291,223</u>	<u>260,666</u>	<u>306,534</u>
Total OPEB Liability - Ending (a)	<u>\$ 260,666</u>	<u>\$ 306,534</u>	<u>\$ 214,531</u>
Covered Payroll	\$ 237,349	\$ 244,469	\$ 261,320
Net OPEB Liability as a Percentage of Covered-Employee Payroll	109.82%	125.39%	82.10%
Notes to Schedule:			
Benefit Change:	None	None	None
Changes of Assumptions:			
Discount Rate:	4.10%	2.74%	2.12%
Mortality:	RP-2000	RP-2000	RP-2014
Trend:	5.5%	5.5%	Variable

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

OTHER SUPPLEMENTAL INFORMATION

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Ronald Dowling</u> <u>Director</u>
<i>Purpose:</i>	
Salary	\$ 55,671
Benefits - Insurance	8,941
Benefits - Dental	338
	<hr/>
Total	\$ <u><u>64,950</u></u>

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM R. HULSEY
A PROFESSIONAL ACCOUNTING CORPORATION
2207 LIBERTY STREET
MONROE, LOUISIANA 71201

william@hulseypac.com
(318) 362-9900
FAX (318)362-9921

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*

To the Board of Commissioners
Humanitarian Enterprises of Lincoln Parish
Ruston, Louisiana

I have audited, in accordance with the 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 the governmental activities of the Humanitarian Enterprises of Lincoln Parish, as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the Center's basic financial statements, and have issued my report thereon dated September 27, 2021.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Center's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, I do not express an opinion on the effectiveness of the Center'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, 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 Center'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.

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

Humanitarian Enterprises of Lincoln Parish
Ruston, Louisiana

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Humanitarian Enterprises of Lincoln Parish's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of our tests disclosed 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the use of management of the Humanitarian Enterprises of Lincoln Parish and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

WILLIAM R. HULSEY (APAC)
Certified Public Accountant



September 27, 2021

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

To the Health and Welfare Committee Members
of the Humanitarian Enterprises of Lincoln Parish
Ruston, Louisiana

I have audited the financial statements of the Humanitarian Enterprises of Lincoln Parish (the Center) as of and for the year ended December 31, 2020 and have issued my report thereon dated September 27, 2021. I conducted my audit 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. My audit of the financial statements as of December 31, 2020, resulted in an unqualified opinion.

SECTION I - Summary of Auditor's Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness ___ yes X no
Significant Deficiencies not considered to be
Material Weaknesses ___ yes X no

Compliance

Compliance Material to Financial Statements ___ yes X no

B. Federal Awards

Material Weakness Identified ___ yes X no
Significant Deficiencies not considered to be
Material Weaknesses ___ yes X no

Type of Opinion on Compliance For Major Programs (No Major Programs)

Unqualified ___ Qualified ___
Disclaimer ___ Adverse ___

Are their findings required to be reported in accordance with the Uniform Guidance (a)? N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster)
CFDA Number(s)

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a "low-risk" auditee, as defined by the Uniform Guidance? N/A

SECTION II - Financial Statement Findings

No matters were reported.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

SECTION III - Federal Award Findings and Questioned Costs

No matters were reported.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

Internal Control and Compliance Material to Federal Awards

There were no findings for this category.

Internal Control and Compliance Material to the Financial Statements

19-1 Payments of bonuses to employees.

Condition:

During the year, the former HELP Agency director purchased 9 gift cards for \$100 each for distribution as employee appreciation gifts. This purchase was split evenly across the three active funds of the HELP Agency, namely, the Transportation fund, the CSBG fund, and the LIHEAP fund.

Criteria:

According to the Louisiana Constitution Article VI, Section 14(A), any payment of a bonus or any other gratuitous unearned payment to employees is prohibited.

Effect:

The purchase and disbursement of the gift cards puts the entity in violation of the Louisiana Constitution. Because the purchase was reimbursed by grant agencies, the Agency is in violation of grant requirements.

Recommendation:

It is recommended that the Board and new Executive Director review the sections of the Louisiana Constitution regarding gratuitous payments to employees. The new Executive Director has been provided a copy of the Best Practices in Government Checklist compiled by the Louisiana Legislative Auditor.

Response:

The former Executive Director responsible for making this purchase is no longer employed by the Agency. The current Executive Director has been made aware the type of payments that could be in violation of the Louisiana Constitution, and has shared this information with the Board. The Board believes that under the new director, these flagrant misuses of public funds will not occur in the future.

19-2 Donation of Public Funds.

Condition:

Per the March 2019 board meeting minutes, several frequent riders were given gift bags which included a voucher for 5 complimentary rides valued at \$25.00.

Criteria:

According to the Louisiana Constitution Article VII, Section 14, any donation of a thing of value (rides on parish vans) to the political subdivision is prohibited.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

SECTION II - Financial Statement Findings - Continued

19-2 Donation of Public Funds – Continued

Effect:

The gifting of vouchers for free rides puts the entity in violation of the Louisiana Constitution.

Recommendation:

It is recommended that the Board and new Executive Director review the sections of the Louisiana Constitution regarding donation, loan or pledge of public funds. The new Executive Director has been provided a copy of the Best Practices in Government Checklist compiled by the Louisiana Legislative Auditor.

Response:

The former executive director responsible for gifting these vouchers is no longer employed by the Agency. The current executive director has been made aware the type of payments that could be in violation of the Louisiana Constitution, and has shared this information with the Board. The Board believes that under the new director, these flagrant misuses of public funds will not occur in the future.

19-3 Unauthorized Use of Parish Vehicle.

Condition:

The former Executive Director used the parish vehicle for a personal vacation in January 2019.

Criteria:

Per Louisiana R.S. 42:1461, an official of a political subdivision, by the act of accepting such employment, assumes a personal obligation not to misuse public property.

Effect:

The personal use of a parish vehicle is in violation of Louisiana R.S. 42:1461.

Recommendation:

It is recommended that the Board and new Executive Director review Louisiana R.S. 42:1461 as it pertains to all employees and officials of the Agency. Also, it is recommended to recapitulate the language in R.S. 42:1461 in the form of an internal policy and procedure document to further alert employees to this law.

Response:

The former executive director responsible for giving these vouchers is no longer employed by the Agency. The current executive director is currently drafting a police and procedure manual that will include this language.

Management Letter Comments

There were no findings for this category.