

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA

Component Unit Financial Statements
For the Year Ended December 31, 2017

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
COMPONENT UNIT FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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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, 2017, 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

Unmodified 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, 2017, 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 and Budgetary Comparison Information on pages 4-6 and 26-30 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 June 7, 2018 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

A handwritten signature in black ink, appearing to read 'W. Hulsey', written over a horizontal line.

June 7, 2018

**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, 2017. 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, 2017 and 2016, net position changed as follows:

	2017	2016
Beginning net position, restated	\$ (106,130)	\$ (104,907)
Increase (decrease) in net position	(17,604)	(10,399)
Ending net position	\$ (123,734)	\$ (115,306)

The H.E.L.P. Center's FUNDS

The following schedule presents a summary of revenues and expenditures for the years ended December 31, 2017 and 2016:

Revenues	2017	Percent of Total	2016	Percent of Total
Grant receipts	\$ 450,200	97.03%	\$ 352,498	93.37%
Transportation fares	12,851	2.77%	24,351	6.43%
Miscellaneous	946	0.20%	334	0.20%
Total Revenues	\$ 463,997	100.00%	\$ 377,183	100.00%

Expenditures	2017	Percent of Total	2016	Percent of Total
Health and welfare	\$ 481,601	100.00%	\$ 356,357	100.00%

BUDGETARY HIGHLIGHTS

The H.E.L.P. Center's total revenues in 2017 were moderately greater than the final budgeted revenue due to maximization of the CSBG grant funding. Expenses were curbed to match the decrease in revenue for 2017 in the Transportation fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2017, the H.E.L.P. Center had \$282,369 invested in capital assets (\$43,243 net of accumulated depreciation) including machinery and equipment and vehicles.

Assets	December 31, 2016	Additions	Disposals	December 31, 2017
Vehicles	\$ 266,513		(139,908)	\$ 126,605
Machinery & equipment	155,764			155,764
Total at historical cost	422,277		(139,908)	282,369
Less: Accumulated Depreciation:				
Vehicles	(194,264)	(8,438)	114,068	(88,634)
Machinery & equipment	(150,492)			(150,492)
Capital assets, net	\$ 77,521	\$(8,438)	114,068	\$ 43,243

Debt

At year end, the H.E.L.P. Center had a total liability of \$7,151 for compensated absences.

OTHER POST-EMPLOYMENT BENEFITS

In the year ended December 31, 2017 and 2016, the H.E.L.P. Center has complied with requirements of Government Accounting Standards Board Statement Number 45, *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:

Courtney Hall
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, 2017

	<u>Governmental Activities</u>
<i>Assets</i>	
Cash	\$ 141,823
Accounts Receivable	23,915
Due From Other Governments - LPPJ	4,364
Depreciable Assets	<u>43,243</u>
Total Assets	<u>213,345</u>
 <i>Liabilities</i>	
Accounts Payable	305
Due To Other Governments - LPPJ	50,498
Non-Current Liabilities	
Compensated Absences	7,151
Postretirement Benefit Plan Payable	<u>279,125</u>
Total Liabilities	<u>337,079</u>
 <i>Net Position</i>	
Net Investment in Capital Assets	43,243
Unrestricted	<u>(166,977)</u>
Total Net Position	<u><u>\$ (123,734)</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, 2017

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Function/Program Activities	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Government Activities:					
Health and Welfare	<u>\$ 481,601</u>	<u>\$ 12,851</u>	<u>\$ 450,200</u>	<u>\$ -</u>	<u>\$ (18,550)</u>
			General Revenues:		
			Miscellaneous		<u>946</u>
			Total General Revenues		<u>946</u>
			Changes in Net Position		(17,604)
			Net Position - Beginning, restated		<u>(106,130)</u>
			Net Position - Ending		<u>\$ (123,734)</u>

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, 2017

	<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	\$ 11,859	\$ 16,127	\$ 24,752	\$ 88,316	\$ 769	\$ 141,823
Accounts Receivable	-	23,779	136	-	-	23,915
Due From Other Governments - I.PPJ	-	2,977	278	109	1,000	4,364
Due From Other Funds	2,454	-	-	-	-	2,454
TOTAL ASSETS	<u>\$ 14,313</u>	<u>\$ 42,883</u>	<u>\$ 25,166</u>	<u>\$ 88,425</u>	<u>\$ 1,769</u>	<u>\$ 172,556</u>
Liabilities and Fund Equity						
Liabilities:						
Accounts Payable	\$ -	\$ 283	\$ -	\$ -	\$ 22	\$ 305
Due To Other Governments - LPPJ	-	36,632	13,466	-	400	50,498
Due To Other Funds	-	-	-	2,454	-	2,454
Total Liabilities	<u>-</u>	<u>36,915</u>	<u>13,466</u>	<u>2,454</u>	<u>422</u>	<u>53,257</u>
Fund Balances:						
Restricted	-	5,968	11,700	85,971	-	103,639
Assigned	-	-	-	-	1,769	1,769
Unassigned	14,313	-	-	-	(422)	13,891
Total Fund Balances	<u>14,313</u>	<u>5,968</u>	<u>11,700</u>	<u>85,971</u>	<u>1,347</u>	<u>119,299</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 14,313</u>	<u>\$ 42,883</u>	<u>\$ 25,166</u>	<u>\$ 88,425</u>	<u>\$ 1,769</u>	<u>\$ 172,556</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, 2017

Total Governmental Fund Balances \$ 119,299

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 43,243

Compensated absences are not due and payable in the current period and therefore are not reported in the funds. (7,151)

Unfunded postretirement benefit plan obligations are not financial expenditures and therefore are not reported in the funds. (279,125)

Net Position of Governmental Activities \$ (123,734)

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

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	<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	\$ -	\$ 105,910	\$ 292,500	\$ 51,790	\$ -	\$ 450,200
Transportation fares	-	12,851	-	-	-	12,851
Miscellaneous	93	578	-	107	168	946
Total revenues	<u>93</u>	<u>119,339</u>	<u>292,500</u>	<u>51,897</u>	<u>168</u>	<u>463,997</u>
Health and Welfare Expenditures						
Personnel and Fringe Benefits	-	119,621	206,710	11,371	-	337,702
Vehicle Maintenance and Insurance	-	24,628	-	-	-	24,628
Operating Services and Supplies	-	23,823	10,221	-	-	34,044
Travel	-	-	-	-	-	-
Energy and Emergency Assistance	-	-	-	-	-	-
Emergency Crisis and Rent Assistance	-	-	52,957	-	-	52,957
Other Support Costs	511	-	10,282	2,461	-	13,254
Purchase of Fixed Assets	-	-	-	-	-	-
Total Health and Welfare Expenditures	<u>511</u>	<u>168,072</u>	<u>280,170</u>	<u>13,832</u>	<u>-</u>	<u>462,585</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(418)</u>	<u>(48,733)</u>	<u>12,330</u>	<u>38,065</u>	<u>168</u>	<u>1,412</u>
Net Change in Fund Balance	(418)	(48,733)	12,330	38,065	1,769	3,013
Fund Balances, Beginning (Restated)	<u>14,731</u>	<u>54,701</u>	<u>(630)</u>	<u>47,906</u>	<u>(422)</u>	<u>116,286</u>
Fund Balances, Ending	<u>\$ 14,313</u>	<u>\$ 5,968</u>	<u>\$ 11,700</u>	<u>\$ 85,971</u>	<u>\$ 1,347</u>	<u>\$ 119,299</u>

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

RECONCILIATION OF TOTAL GOVERNMENTAL
FUND BALANCES TO NET POSITION OF
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

Net Change in Fund Balances - Total Governmental Funds	\$ 3,013
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Government funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Depreciation expense	(8,438)
Contributed Capital	-
	<u>(8,438)</u>
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.	(1,247)
Postretirement benefit plan expenditures	<u>(10,932)</u>
 Change in Net Position in Governmental Activities	 <u><u>\$ (17,604)</u></u>

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, 2017

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:

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

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.
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:

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

- Employees' vested annual leave is recorded as an expenditure when utilized. The amount of accumulated annual leave unpaid at December 31, 2017 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.

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.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds (Continued)

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.

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 \$7,151 has been made for the compensated absences and vacation in these financial statements.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity (Continued)

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.

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, 2017. The Center had cash and cash equivalents in demand deposits, totaling \$141,823 at December 31, 2017.

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, 2017, are secured, as follows:

Bank Balances	\$ 147,080
FDIC Insurance	147,080
Pledged Securities (uncollateralized)	-
Total	\$ 147,080

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.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 4 – PROPERTY AND EQUIPMENT

Capital asset activity for the year ended December 31, 2017 is as follows:

	December 31, 2016			December 31, 2017
	<u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u>
Depreciable Assets:				
Vehicles	\$ 266,513	\$ -	\$ (139,908)	\$ 126,605
Furniture and Fixtures	50,620	-	-	50,620
Machinery & Equipment	<u>105,144</u>	<u>-</u>	<u>-</u>	<u>105,144</u>
Totals at Historical Cost	<u>422,277</u>	<u>-</u>	<u>(139,908)</u>	<u>282,369</u>
Less Accumulated Depreciation for:				
Vehicles	(194,264)	(8,438)	114,068	(88,634)
Furniture and Fixtures	(45,348)	-	-	(45,348)
Machinery & Equipment	<u>(105,144)</u>	<u>-</u>	<u>-</u>	<u>(105,144)</u>
Total Accumulated Depreciation	<u>(344,756)</u>	<u>(8,438)</u>	<u>114,068</u>	<u>(239,126)</u>
<u>CAPITAL ASSETS, NET</u>	<u>\$ 77,521</u>	<u>\$ (8,438)</u>	<u>\$ (25,840)</u>	<u>\$ 43,243</u>

Depreciation was charged to the Health and Welfare function of the Center for \$8,438.

NOTE 5 - DUE FROM/TO OTHER FUNDS

The due from/to other funds at December 31, 2017, are as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Funds:		
General Fund	\$ 2,454	\$ -
LIHEAP Energy	<u>-</u>	<u>2,454</u>
Totals	<u>\$ 2,454</u>	<u>\$ 2,454</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.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 6 - PENSION PLAN

Plan Description

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 payroll is included in 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.

NOTE 7 – POST EMPLOYMENT HEALTH CARE BENEFITS

Plan Description – The Center's medical benefits are provided through a self-insured medical plan and are made available to employees upon actual retirement.

The employees are covered by 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.

Dental insurance coverage is provided to retirees. The employer pays 90 to 95% of the cost of the dental insurance (depending on the plan) for the retiree and 50% for dependents. We have used the unblended rates provided and included the actuarial cost and liability in the valuation of the medical benefits. All of the assumptions used for the valuation of the medical benefits have been used for dental insurance except for the trend assumption; zero trend was used for dental insurance.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Life insurance coverage is available to retirees based on blended rate (active and retired). The employer pays 100% of the cost of the retiree life insurance, but it is based on this blended rate. Since GASB Codification Section P50 requires the use of "unblended" rates, we have used the 94GAR mortality table described below to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance. Retiree insurance coverage amounts are reduced to 50% of the original level before retirement.

Contribution Rates – Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy – Until 2008, the Center recognized the cost of providing post-employment medical and life insurance benefits (the Center’s portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2017 and 2016, the Center’s portion of health care and life insurance funding cost for retired employees totaled \$7,429 and \$11,262, respectively.

Effective January 1, 2008, the Center implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB Codification Section). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual Required Contribution – The Center’s Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB Codification Section P50) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	2017	2016
Normal cost	\$ 14,067	\$ 7,914
30-year UAL amortization amount	9,076	13,855
Annual required contribution (ARC)	\$ 23,143	\$ 21,769

Net Post-employment Benefit Obligation (Asset) – The table below shows the Center’s Net Other Post-employment Benefit (OPEB) Obligation for fiscal years ending December 31:

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>2017</u>	<u>2016</u>
Beginning Net OPEB Obligation	\$ 268,193	\$ 262,364
Annual required contribution	23,143	21,769
Interest on Net OPEB Obligation	10,728	10,495
ARC Adjustment	<u>(15,510)</u>	<u>(15,173)</u>
OPEB Cost	18,361	17,091
Contribution to Irrevocable Trust	-	-
Current year retiree premium	<u>(7,429)</u>	<u>(11,262)</u>
Change in Net OPEB Obligation	<u>10,932</u>	<u>5,829</u>
Ending Net OPEB Obligation	\$ <u>279,125</u>	\$ <u>268,193</u>

The following table shows the Center's annual other post-employment benefits (OPEB) cost, percentage of the cost contributed, and the net other post-employment benefits (OPEB) liability for last year and this year:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
December 31, 2017	\$ 18,361	40.46%	\$ 279,125
December 31, 2016	\$ 17,091	65.89%	\$ 268,193

Funded Status and Funding Progress – In 2017 and 2016, the Center made no contributions to its post-employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the January 1, 2017 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year December 31, 2017 was \$163,218 which is defined as that portion, as determined by a particular actuarial cost method (the Center uses the Projected Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost.

	<u>2017</u>	<u>2016</u>
Actuarial Accrued Liability (AAL)	\$ 163,218	\$ 249,154
Actuarial Value of Plan Assets (AVP)	<u>-</u>	<u>-</u>
Unfunded Act. Accrued Liability (UAAL)	\$ <u>163,218</u>	\$ <u>249,154</u>
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 225,686	\$ 182,803
UAAL as a percentage of covered payroll	72.32%	136.30%

Actuarial Methods and Assumptions – Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post-employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees).

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Center and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Center and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Center and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method – The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

Actuarial Value of Plan Assets – There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

Turnover Rate – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 5%.

Post-employment Benefit Plan Eligibility Requirements – Based on past experience, it has been assumed that entitlement to benefits will commence three years after eligibility to enter the D.R.O.P., as described above under "Plan Description". Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate) – GASB Codification Section P50 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate – The expected rate of increase in medical cost is based on a flat annual rate of 5.5%. There has not been any trend applied after Medicare eligibility because of the high Medicare supplemental benefit rates and the fact that Medicare is the primary coverage.

Mortality Rate - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Method of Determining Value of Benefits – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 90 to 95% of the cost of the medical insurance (depending on the plan) for the retiree and 50% for dependents. Medical and dental coverage is not provided after age 65 to retirees who were hired on and after January 1, 2008. The rates provided are "unblended" rates as required by GASB 45.

Inflation Rate - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases - This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases - The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

Below is a summary of OPEB cost and contributions for the last three fiscal calendar years.

	OPEB Costs and Contributions		
	FY 2015	FY 2016	FY 2017
OPEB Cost	\$ 16,360	\$ 17,091	\$ 18,361
Contribution	0	0	0
Retiree premium	10,428	11,262	7,429
Total contribution and premium	<u>10,428</u>	<u>11,262</u>	<u>7,429</u>
Change in net OPEB obligation	\$ <u>5,932</u>	\$ <u>5,829</u>	\$ <u>10,932</u>
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	63.74%	65.89%	40.46%

NOTE 8 - 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.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 9 - 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.

NOTE 10 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget/Actual Variances

When comparing budget to actual revenue and expenditure amounts for the year ended December 31, 2017, the following governmental funds had variances greater than 5%:

	<u>Budget</u>	<u>Actual</u>	<u>Variances (Unfavorable)</u>
General Fund			
Other Support Costs	\$ -	\$ 511	\$ (511)
Transportation Fund			
Intergovernmental Revenue	\$ 122,665	\$ 105,910	\$ (16,755)
CSBG			
Program Activities	\$ 238,961	\$ 280,170	\$ (41,209)

NOTE 11 - 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, 2017.

NOTE 12 – PRIOR PERIOD ADJUSTMENTS

The Transportation Fund and the LIHEAP Fund reflect prior period adjustments to fund balance that are a result of prior year balances owed to other governments (LPPJ) becoming uncollectible due to changes in grant funding causing a decrease in fund balance and net assets of \$9,176.

NOTE 12 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 7, 2018, 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, 2017

	<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	100	94	93	(1)
Total Revenue	100	94	93	(1)
<u>Expenditures (Outflows):</u>				
Other Support Costs	320	-	511	(511)
Total Expenditures	320	-	511	(511)
<u>Excess of Revenues Over Expenditures</u>	(220)	94	(418)	(512)
<u>Fund Balance at Beginning of Year</u>	14,731	14,731	14,731	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 14,511</u>	<u>\$ 14,825</u>	<u>\$ 14,313</u>	<u>\$ (512)</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, 2017

	<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	\$ 183,010	\$ 122,665	\$ 105,910	\$ (16,755)
Fees & Charges for Services	27,000	11,048	12,851	1,803
Other Revenues	-	577	578	1
Total Revenues	<u>210,010</u>	<u>134,290</u>	<u>119,339</u>	<u>(14,951)</u>
<u>Expenditures (Outflows):</u>				
Program Activities & Administration	210,010	164,379	168,072	(3,693)
Total Expenditures	<u>210,010</u>	<u>164,379</u>	<u>168,072</u>	<u>(3,693)</u>
<u>Deficiency of Revenues Over</u>				
<u>Expenditures</u>	-	(30,089)	(48,733)	(18,644)
<u>Fund Balance at Beginning of Year</u>	<u>54,701</u>	<u>54,701</u>	<u>54,701</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 54,701</u>	<u>\$ 24,612</u>	<u>\$ 5,968</u>	<u>\$ (18,644)</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, 2017

	<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	\$ 205,619	\$ 238,961	\$ 292,500	\$ 53,539
Total Revenues	<u>205,619</u>	<u>238,961</u>	<u>292,500</u>	<u>53,539</u>
<u>Expenditures (Outflows):</u>				
Program Activities & Administration	<u>205,619</u>	<u>238,961</u>	<u>280,170</u>	<u>(41,209)</u>
Total Expenditures	<u>205,619</u>	<u>238,961</u>	<u>280,170</u>	<u>(41,209)</u>
<u>Deficiency of Revenues Over</u>				
<u>Expenditures</u>	-	-	12,330	12,330
<u>Fund Balance at Beginning of Year</u>	<u>(630)</u>	<u>(630)</u>	<u>(630)</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ (630)</u>	<u>\$ (630)</u>	<u>\$ 11,700</u>	<u>\$ 12,330</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, 2017

	<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	\$ 33,539	\$ 51,255	\$ 51,897	\$ 642
Use of Money and Property	-	-	-	-
Total Revenues	<u>33,539</u>	<u>51,255</u>	<u>51,897</u>	<u>642</u>
<u>Expenditures (Outflows):</u>				
Program Activities & Administration	<u>33,539</u>	<u>50,597</u>	<u>13,832</u>	<u>36,765</u>
Total Expenditures	<u>33,539</u>	<u>50,597</u>	<u>13,832</u>	<u>36,765</u>
<u>Deficiency of Revenues Over Expenditures</u>	-	658	38,065	37,407
<u>Fund Balance at Beginning of Year</u>	<u>47,906</u>	<u>47,906</u>	<u>47,906</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 47,906</u>	<u>\$ 48,564</u>	<u>\$ 85,971</u>	<u>\$ 37,407</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, 2017

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.

OTHER SUPPLEMENTAL INFORMATION

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2017

		<u>Tomica McDonald</u> <u>Executive Director</u>
<i>Purpose:</i>		
Salary	\$	49,141
Benefits - Insurance		10,535
Benefits - Retirement		6,104
Benefits - Dental		384
Travel Reimbursements		-
		<hr/>
Total	\$	<u>66,164</u>

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

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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, 2017, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements, and have issued my report thereon dated June 7, 2018.

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 my 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 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


June 7, 2018

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RUSTON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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, 2017 and have issued my report thereon dated June 7, 2018. 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, 2017, 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 Uniform Guidance?
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 Uniform Guidance? N/A

SECTION II - Financial Statement Findings

No matters were reported.

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, 2017

Internal Control and Compliance Material to Federal Awards

There were no findings for this category.

Internal Control and Compliance Material to the Financial Statements

There were no findings for this category.

Management Letter Comments

There were no findings for this category.

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the H.E.L.P. CENTER and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by The H.E.L.P. CENTER of the Fourth Judicial District (Entity) 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 period January 1, 2017 through December 31, 2017. The Entity's 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, I 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 procedures and associated findings are as follows:

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

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

- **Budgeting** – The H.E.L.P. CENTER has written policies and procedures regarding budget preparation, adoption, monitoring and amending.
- **Purchasing** – The H.E.L.P. CENTER has written policies and procedures for purchasing regarding the following:

Initiation of purchases – Purchasing agent

Addition of vendors – the accountant adds vendors

Preparation and approval of check requests

Controls ensuring compliance with public bid laws

Bids and price quotes are required to be maintained . When major purchases are needed for the Jury, the Purchasing Officer usually gathers bids via email, fax or phone.

- **Disbursements** – The H.E.L.P. CENTER has written policies and procedures regarding disbursement processing, reviewing and approving.
- **Receipts** – The H.E.L.P. CENTER does not have written policies and procedures regarding receiving, recording and preparation of deposits for all receipts.
- **Payroll & Personnel** – The H.E.L.P. CENTER has written policies and procedures regarding payroll processing and reviewing and approving time and attendance.
- **Contracting** – The H.E.L.P. CENTER has written policies and procedures regarding the types of services that require contracts, terms and condition, legal review and approval.
- **Credit Cards** – The H.E.L.P. CENTER has written policies and procedures regarding the control of credit cards, allowable business usage, documentation requirements, required approvers and monitoring process.
- **Travel & Expense Reimbursement** – The H.E.L.P. CENTER does not have written policies and procedures regarding what's allowable, dollar amount by expense category, documentation requirements and required approvers.
- **Ethics** – The H.E.L.P. CENTER has written policies and procedures regarding ethics.
- **Debt Service** – There is not a debt service policy.

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.

All policies and procedures were performed at the primary government level.

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). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. 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.

The Primary Government has thirty one bank accounts that it operates. Bank reconciliations are prepared monthly and the Treasurer examines them along with the bank statement each month checking outstanding check amounts. The Treasurer currently does sign off on the reconciliations and bank statements.

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). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. **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 by a person who is not responsible for collections.

Cash is received by the individual bringing the money to the office or by mail. There is not a policy on procedures regarding cash collections, but the persons receiving the payments are not bonded. There is no formal process to reconcile cash collections to the general ledger or subsidiary. I selected the highest (dollar) week of cash collections from the general ledger and traced daily collections to the deposit date on the bank statement noting their timely deposit. All cash collections are completely supported by documentation without any exceptions. Currently, The H.E.L.P. CENTER does have written documentation on the processes to determine completeness of all collections. The above procedures were performed at the Primary Government level.

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.

A listing of disbursements were tested at the primary Government level and 25 disbursements were selected for testing, and no exceptions were noted. There currently is no policy or procedure prohibiting the person responsible for processing payments from adding vendors to The H.E.L.P. CENTER's purchasing system. There is a segregation of duties policy which covers who has signatory authority and authorization for disbursements do not initiate or record purchases. Unused checks are maintained in a locked location with restricted access. A signature stamp is not used. All checks require two authorized signers.

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.

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.
16. 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.

A list of all credit and debit cards were obtained and examined at the Primary Government level. Four cards were selected for testing with the monthly statements without any exceptions. No finance charges were paid on any of the statements.

17. 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.
18. 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) and report any amounts that exceed GSA rates.
19. Using the listing or general ledger from #17 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.

A listing of all travel and related expense reimbursements during the year was obtained at the Primary Government level, The H.E.L.P. CENTER along with the Primary Government does not have written policies and procedures regarding travel and expense reimbursements. Three travel payments were selected and tested without exception. All travel and expense, and expense reimbursements were documented as to the business purpose and all were reviewed and approved by someone other than the person receiving the reimbursement.

- 20. 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.
- 21. 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)
 - 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).

A list of contracts was obtained from The Primary Government, four contracts paid the most money were selected for testing without exception.

22. 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.
23. 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.
24. 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.
 25. 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.

A listing of employees was obtained from The Primary Government. All full-time employees do not fill out a time sheet, but they turn in leave slips. Their hours are recapped on a time recap and approved. The attorneys are paid by the Primary Government, state warrant and the rest is supplemented by the Primary Government, who makes the decision on the amount to supplement. The non-attorney full-time employees are paid by the Primary Government. Part-time employees are required to fill out a time sheet, but do not have leave slips. They are not paid if they do not work. All payroll taxes and retirement contributions were paid and filed during the year without exception.

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Five employees were tested for their ethics compliance documentation without exception. There were no ethics violations during the year and there were not allegations received during the year.

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

There were no written policies and procedures for debt service.

31. 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.

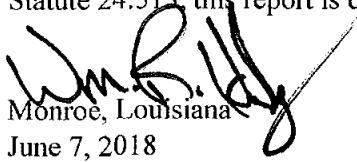
32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Inquired of management whether The H.E.L.P. CENTER's office had any misappropriations of public funds or assets and there was no instance reported. The notice concerning the reporting of misappropriation, fraud, waste, or abuse of public funds is posted on its premises, which is the notice required by R.S. 24:523.1.

I was 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, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my 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.



Monroe, Louisiana
June 7, 2018