

**PINE BELT MULTI-PURPOSE COMMUNITY ACTION
AGENCY, INC.
Jonesboro, Louisiana**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
WITH SUPPLEMENTAL INFORMATION
As of And for The Year Ended June 30, 2017**

BY

**ROSIE D. HARPER
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**PINE BELT MULTI-PURPOSE COMMUNITY ACTION
AGENCY, INC.
JONESBORO, LOUISIANA**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
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As of And for The Year Ended June 30, 2017**

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.
Jonesboro, Louisiana

**Financial Statements
and Independent Auditor's Report
with Supplemental Information
As of and for the Year Ended June 30, 2017**

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Independent Auditor's Report

To the Board of Directors of
Pine Belt Multi-Purpose Community Action Agency, Inc.
Jonesboro, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of Pine Belt Multi-Purpose Community Action Agency, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion 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 opinion.

**Pine Belt Multi-Purpose Community Action Agency, Inc.
Independent Auditor's Report (Continued)**

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pine Belt Multi-Purpose Community Action Agency, Inc. as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. The information in Schedules 1 through 4 and 6 through 16 and the Louisiana Compliance Questionnaire is also presented for purposes of additional analysis and is not a part of the required financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated December 22, 2017, on my consideration of Pine Belt Multi-Purpose Community Action Agency, Inc.'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 that 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 Pine Belt Multi-Purpose Community Action Agency, Inc.'s internal control over financial reporting and compliance.



Rosie D. Harper
Certified Public Accountant

Monroe, Louisiana
December 22, 2017

FINANCIAL STATEMENTS

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.
Statement of Financial Position
For the Year Ended
June 30, 2017

Assets

Cash and Cash Equivalents	\$ 72,795
Grant Receivable	39,612
Property, Plant & Equipment (Net, Note F)	<u>150,345</u>
Total Assets	<u><u>262,752</u></u>

Liabilities and Net Assets

Liabilities:

Accrued Liabilities	90,200
Line of Credit	<u>8,260</u>
Total Liabilities	<u>98,460</u>

Net Assets:

Unrestricted:

Investment in Fixed Assets	150,345
Operating	<u>(13,632)</u>
Total Unrestricted	136,713

Temporarily Restricted:	27,579
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Total Net Assets	<u>164,292</u>
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Total Liabilities and Net Assets	<u><u>\$ 262,752</u></u>
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See Accompanying Independent Auditor's Report and Notes to Financial Statements.

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.

Statement of Activities

For the Year Ended

June 30, 2017

UNRESTRICTED NET ASSETS**Support**

Donation (Police Jury)	\$	75,000
Inkind Contributions		723,476
Other Revenues		23,687
Total Other Support		<u>822,163</u>

TOTAL UNRESTRICTED SUPPORT		<u>822,163</u>
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Net Assets Released from Restrictions

Restrictions Satisfied by Payments		<u>3,904,819</u>
TOTAL UNRESTRICTED SUPPORT AND RECLASSIFICATION		<u>4,726,982</u>

Expenses

Program Expenses		4,506,156
General and Administrative Expenses		208,190
Total Expenses		<u>4,714,346</u>
Change in Unrestricted Net Assets		<u>12,636</u>

TEMPORARILY RESTRICTED NET ASSETS

Grants		
Federal		<u>3,893,382</u>

TOTAL TEMPORARILY RESTRICTED SUPPORT		<u>3,893,382</u>
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Net Assets Released from Restrictions		
Restrictions Satisfied by Payments		<u>(3,904,819)</u>
Change in Temporarily Restricted Net Assets		<u>(11,437)</u>

Change in Net Assets		1,199
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Net Assets as of Beginning of Year		<u>163,093</u>
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Net Assets as of End of Year	\$	<u><u>164,292</u></u>
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See Accompanying Independent Auditor's Report and Notes to Financial Statements.

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.
Statement of Cash Flows
For the Year Ended
June 30, 2017

Operating Activities	<u>All Funds</u>
Change in Net Assets	\$ 1,199
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Provision for Depreciation	8,786
Decrease in Grants Receivable	41,070
Decrease in Deferred Revenue	(63,732)
Increase in Accounts Payable/Accrued Liabilities	<u>14,568</u>
Total Adjustments	<u>692</u>
Net Cash Provided by Operating Activities	<u>1,891</u>
 Financing Activities	
Principal Payments on Line of Credit	<u>(6,039)</u>
Net Cash Used by Financing Activities	<u>(6,039)</u>
Net Decrease in Cash and Cash Equivalents	<u>(4,148)</u>
Cash and Cash Equivalents as of Beginning of Year	<u>76,943</u>
Cash and Cash Equivalents as of The End of Year	<u>\$ 72,795</u>
 Supplemental Information:	
Interest Paid	<u>\$ 1,661</u>

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.

Statement of Functional Expenses

For the Year Ended

June 30, 2017

	Program Services	Support Services		Total Expenses
		General and Administrative	Total Support Services	
Personnel Costs				
Salaries and Wages	\$ 2,418,488	\$ 126,465	\$ 126,465	\$ 2,544,953
Payroll Taxes and Other Fringe Benefits	407,856	21,949	21,949	429,805
Total Personnel Costs	<u>2,826,344</u>	<u>148,414</u>	<u>148,414</u>	<u>2,974,758</u>
Other Expenses				
Client and Assistance Payments	79,155	-	-	79,155
Community Outreach	21,751	-	-	21,751
Depreciation	8,786	-	-	8,786
Food and Related Supplies	236,598	-	-	236,598
In-kind-Facilities/Volunteers	723,476	-	-	723,476
Insurance	4,795	1,310	1,310	6,105
Interest	-	1,661	1,661	1,661
Occupancy	80,968	9,939	9,939	90,907
Other Direct Activity Expense	60,749	-	-	60,749
Other General and Administrative Expenses	-	37,838	37,838	37,838
Other Program Expense	90,560	-	-	90,560
Professional Services	27,018	2,007	2,007	29,025
Program Administrative Expense Reimbursement	1,807	-	-	1,807
Repairs & Maintenance	76,772	2,438	2,438	79,210
Supplies and Postage	96,997	1,617	1,617	98,614
Telephone	39,285	1,172	1,172	40,457
Training & Development	11,053	-	-	11,053
Travel	2,400	1,371	1,371	3,771
Vehicle Operation	117,642	423	423	118,065
Total Other Expenses	<u>1,679,812</u>	<u>59,776</u>	<u>59,776</u>	<u>1,739,588</u>
Total Functional Expenses	<u>\$ 4,506,156</u>	<u>\$ 208,190</u>	<u>\$ 208,190</u>	<u>\$ 4,714,346</u>

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.
Jonesboro, Louisiana

Notes to Financial Statements
As of and For the Year Ended June 30, 2017

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Pine Belt Multi-Purpose Community Action Agency, Inc. (Pine Belt) is a private nonprofit corporation incorporated under the law of the State of Louisiana. Pine Belt is governed by a board of Directors composed of members from Jackson, Bienville, Morehouse, Red River, Sabine and Winn Parishes which are parishes that Pine Belt serves. Pine Belt operates as a community action agency administering various federal and state funded programs designed to provide assistance to the poor and disadvantaged in these parishes in Louisiana. The following programs, with their approximate percentage of total revenues indicated, are administered by Pine Belt:

Head Start Program (75%) - Provides comprehensive early child development for disadvantaged and handicapped preschool children and their families. Funding is provided by the federal funds from U.S.D.A. Department of Health and Human Services.

Child and Adult Care Food Program (6%)-Provides a food service program in coordination with the Head Start and Summer Child Care Assistance Programs. Funding is provided by the federal funds from U.S.D.A. passed through the Louisiana Department of Education.

Community Service Block Grant (10%) - Administers programs designed to provide services and activities that will have a measurable impact on causes of poverty in the community. Funding is provided by federal funds passed through the Louisiana Workforce Commission, Office of Workforce Development.

Section 8 Housing Assistance Programs (2%)-Provides a housing subsidy program funded by the United States Department and Urban Development. Pine Belt has entered into a contract to administer the program for Jackson Parish in Louisiana. The program provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe, and sanitary housing for low-income families at rent they can afford. Housing assistance payments are used to make up the difference between the approved rent due to the owner for the dwelling unit and the occupant's family at required contribution toward the rent.

Summer Food Service Programs (5%)-Provides a food service program for needy children during summer months when area schools are closed for the summer. Funding is provided by the federal funds passed through the Louisiana Department of Education.

General Assistance (2%) - Accounts for other incidental programs and miscellaneous administrative activities and other general operations of the agency that are not charged to a specific fund. Revenue consists of miscellaneous receipts collected during the year.

Pine Belt Multi-Purpose Community Action Agency, Inc.
Notes to Financial Statements (Continued)

Income Tax Status

Pine Belt is a non-profit corporation and is exempt from state and federal income taxes under Section 501 (c) (3) of Internal Revenue Code. However, income from certain activities not directly related to Pine Belt's tax-exempt purpose would be subject to taxation as unrelated business income. Pine Belt had no such income for this audit period.

Public Support and Revenue

In order to comply with restrictions, which donors place on grants and other gifts as well as designations made by its governing board, the principles of reporting net assets are used. Revenue and public support consists mainly of state and private grants, fundraising, and contributions. Grants and other contributions of cash and other assets are reported as permanently restricted or temporarily restricted if they are received with donor restrictions or restrictions designated by the governing board. Contributions are considered to be unrestricted unless restricted by the donor. All assets over which the Board of Directors has discretionary control have been included in the General Fund.

Depreciation

The Organization follows the practice of capitalizing, at cost, all expenditures for fixed assets in excess of \$5,000. Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows:

Building and improvements	30 years
Furniture and equipment	7 years

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents. Under state law, the agency may deposit funds in demand accounts, interest bearing accounts, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The Organization had no cash equivalents during the audit period. On June 30, 2017, the Organization had cash totaling \$72,795 as follows:

Unrestricted	\$	29,219
Temporarily Restricted		<u>43,576</u>
Total Cash	\$	<u>72,795</u>

Pine Belt Multi-Purpose Community Action Agency, Inc.
Notes to Financial Statements (Continued)

Total Columns

Total columns are presented to facilitate financial analysis. Data in these columns do not present financial position results of operations and changes in net assets in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE B. OPERATING LEASE

Pine Belt leases certain buildings under operating leases. Some leases contain renewal options for periods ranging from one to five years. The rental costs on the buildings for the year ended June 30, 2017, was \$ 25,880. Future minimum lease payments under leases that have remaining terms in excess of one year as of June 30, 2017, are:

<u>Fiscal Year</u>	<u>Buildings</u>
2018	\$ 30,421
2019	21,660
2020	8,188
2021	6,360
2022	<u>2,750</u>
Total	<u>\$ 69,379</u>

NOTE C. GRANT RECEIVABLES

At June 30, 2017, the Organization had grant receivables as follows:

Louisiana Department of Labor (Community Service Block Grant)	\$ 17,187
Louisiana Department of Education (Summer Feeding Program)	10,862
U. S. Department of Health and Human Services (Head Start)	<u>11,563</u>
Total	<u>\$ 39,612</u>

NOTE D. FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE E. COMPENSATED ABSENCES

Compensated absences are absences for which employees will be paid, such as vacation, and/or sick leave. The Organization has a formal policy for accumulation and vesting of vacation, annual leave, and sick leave which is based on the length of service. The days that are granted are included in annual salaries. Employees may accrue vacation leave up to 144 hours. Upon an employee's separation of employment, earned and/or accrued leave will be paid up to maximum of 80 hours. Employees can also accrue sick leave, but accumulated sick leave is forfeited upon separation of employment. For the year ended June 30, 2017, the total amount for accumulated days for compensated absences was \$23,510.

Pine Belt Multi-Purpose Community Action Agency, Inc.
Notes to Financial Statements (Continued)

NOTE F. PROPERTY, PLANT AND EQUIPMENT

Property and Equipment consists of the following at June 30, 2017:

	Estimated Depreciable Life	Purchased with Federal Funds	Purchased with Non- Federal Funds	Total
Buildings	20-30 Years	\$ 208,789	\$ -	\$ 208,789
Furniture and Equipment	5-7 Years	524,295	48,851	573,146
Vehicles	5 Years	787,848	103,008	890,856
Land and Site Improvements		84,215	20,000	104,215
Accumulated Depreciation		(1,474,802)	(151,859)	(1,626,661)
Net Investments in Property and Equipment		<u>\$ 130,345</u>	<u>\$ 20,000</u>	<u>\$ 150,345</u>

Depreciation for the year ended June 30, 2017 is \$8,786.

Land and site improvements include a lot valued at \$20,000 donated to Pine Belt by the Town of Jonesboro in December of 2001 for the providing of Head Start or other educational services. The donation deed stipulates that if Pine Belt ceases to use the property as a Head Start or other educational facility for a period of six months, the property is to immediately revert to the donor. The Department of Health and Human Services provided funding for the site improvement and construction of the building located on the property.

NOTE G. ACCRUED LIABILITIES AND LINE OF CREDIT

At June 30, 2017, the Organization had accrued liabilities totaling \$90,200 consisting of the following:

Accounts Payable	\$ 17,187
Payroll Liabilities	<u>73,013</u>
	<u>\$ 90,200</u>

The Organization maintains a \$56,690 line of credit with Hodge Bank and Trust Company to meet short-term cash flow needs. The loans are short-term with an average interest rate of 8.5%. As of June 30, 2017, the line of credit had an available balance of \$48,430, with an outstanding balance of \$8,260.

Interest expense paid on debt for the year ended June 30, 2017 was \$1,661.

NOTE H. BUDGET PRACTICES

The Organization prepares an annual budget that is approved by the Board of Directors. As a result, “budget to actual” comparative statements are presented as supplemental information.

Pine Belt Multi-Purpose Community Action Agency, Inc.
Notes to Financial Statements (Continued)

NOTE I. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject Pine Belt to concentrations of credit risk consist principally of cash and grants receivables. Concentrations of credit risk with respect to grant receivables are limited because the amounts which are due from governmental agencies are under contractual terms. As of June 30, 2017, Pine Belt had no significant concentration of credit risk in relation to grant receivables.

Accounts at the institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2017, total cash balances held at the financial institutions was \$72,795 and were covered 100% by FDIC.

NOTE J. UNRESTRICTED NET ASSETS

As of June 30, 2017, the unrestricted net assets consisted of the following programs:

	Operating	Investment in Fixed Assets	Total
General Services	\$ (13,632)	\$ -	\$ (13,632)
Head Start	-	149,133	149,133
Community Service	-	1,212	1,212
Total	<u>\$ (13,632)</u>	<u>\$ 150,345</u>	<u>\$ 136,713</u>

NOTE K. TEMPORARILY RESTRICTED NET ASSETS

As of June 30, 2017, the temporarily restricted net assets consisted of the following programs:

Headstart	\$ 4,846
Child Nutrition Services	21,168
Housing Services	<u>1,565</u>
Total	<u>\$ 27,579</u>

These funds are restricted to be used for the operations of these programs.

NOTE L. CONTRACTUAL REVENUE – GRANTS

During the year ended June 30, 2017, Pine Belt received contractual revenue from federal grants in the amount of \$3,893,382. The continual existence of these funds is based on annual contract renewals with various funding sources.

NOTE M. RETIREMENT OBLIGATIONS

In December 2001, Pine Belt began participating in a 403 B deferred compensation program whereby an amount up to 6% of the salary of eligible employees is contributed to the program. The amount contributed for the year ended June 30, 2017 was \$31,804.

Pine Belt Multi-Purpose Community Action Agency, Inc.
Notes to Financial Statements (Continued)

NOTE N. PARENT FUNDRAISING ACCOUNTS

The Organization operates seven head start centers. Each of the centers maintains a bank account for its parent fundraising activities. The funds deposited to these accounts are independent of the federal Head Start grant. A summary schedule of the financial activity for the parent fundraising bank accounts is presented as Schedule 13 in the Supplemental Information section of this report.

NOTE O. PARTNERSHIP INVESTMENT

Pine Belt is a member in the following limited partnership:

Pine Belt serves as the Managing General Partner for Sabine Housing 1994 Partners, a Louisiana Partnership in Commendam, organized and operated for the construction, ownership and management of a forty-unit apartment complex in Many, Louisiana known as William E. Ruffin Apartments, permanent financing provided with funds provided by the Home Affordable Rental Program and tax credits through regulatory agreements with Louisiana Housing Finance Agency.

Pine Belt serves as the Managing General Partner for Northwood Apartments Partnership, a Louisiana Partnership in Commendam, organized and operated for the construction, ownership and management of a forty-unit apartment complex in Bastrop, Louisiana, known as Northwood Apartments, permanent financing provided with funds provided by the Home Affordable Rental Program and tax credits through regulatory agreements with Louisiana Housing Finance Agency.

Pine Belt serves as the Managing General Partner for Maplewood Apartments Partnership, a Louisiana Partnership in Commendam, organized and operated for the construction, ownership and management of a forty-unit apartment complex in Winnfield, Louisiana, known as Maplewood Apartments, permanent financing provided with funds provided by the Home Affordable Rental Program and tax credits through regulatory agreements with Louisiana Housing Finance Agency.

Pine Belt serves as the Managing General Partner for Bienville Partnership, a Louisiana Partnership organized and operated for the purchase, remodeling and ownership and management of a thirty-two-unit apartment complex in Ringgold, Louisiana, known as Bienville Apartments, permanent financing provided with funds provided by the Home Affordable Rental Program and tax credits through regulatory agreements with Louisiana Housing Finance Agency.

Pine Belt serves as the Managing General Partner for Many Partnership organized and operated for the purchase, remodeling and ownership and management of a thirty-two-unit apartment complex in Many, Louisiana, known as Many Apartments, permanent financing provided with funds provided by the Home Affordable Rental Program and tax credits through regulatory agreements with Louisiana Housing Finance Agency.

Pine Belt Multi-Purpose Community Action Agency, Inc.
Notes to Financial Statements (Continued)

Pine Belt serves as the Managing General Partner for Timbers Apartments II Partnership organized and operated for the purchase, remodeling and ownership and management of a forty-eight-unit apartment complex in Many, Louisiana, known as Timbers Apartments, permanent financing provided with funds provided by the Home Affordable Rental Program and tax credits through regulatory agreements with Louisiana Housing Finance Agency.

Pine Belt serves as the Managing General Partner for Jackson Square Apartments, II Partnership organized and operated for the purchase, remodeling and ownership management of a thirty-two-unit apartment complex in Jonesboro, Louisiana, known as Jackson Square Apartments, permanent financing provided with funds provided by the Home Affordable Rental Program and tax credits through regulatory agreements with Louisiana Housing Finance Agency.

Pine Belt serves as the Managing General Partner for Riverwood Apartments Partnership organized and operated for the purchase, remodeling and ownership management of a forty-eight-unit apartment complex in Coushatta, Louisiana, known as Riverwood Apartments, permanent financing provided with funds provided by the Home Affordable Rental Program and tax credits through regulatory agreements with Louisiana Housing Finance Agency.

Pine Belt serves as the Managing General Partner for Rockwood Apartments II Partnership organized and operated for the purchase, remodeling and ownership management of a thirty-two-unit apartment complex in Winnfield, Louisiana, known as Rockwood Apartments, permanent financing provided with funds provided by the Home Affordable Rental Program and tax credits through regulatory agreements with Louisiana Housing Finance Agency.

Pine Belt serves as the Managing General Partner for Many Senior Apartments, ALPIC organized and operated for the purchase, remodeling and ownership management of a thirty-two-unit apartment complex in Many, Louisiana, known as Many Senior Apartments, permanent financing provided with funds provided by the Home Affordable Rental Program and tax credits through regulatory agreements with Louisiana Housing Finance Agency.

Pine Belt serves as the Managing General Partner for Coushatta Senior Apartments, ALPIC organized and operated for the purchase, remodeling and ownership management of a thirty-two-unit apartment complex in Coushatta, Louisiana, known as Coushatta Senior Apartments, permanent financing provided with funds provided by the Home Affordable Rental Program and tax credits through regulatory agreements with Louisiana Housing Finance Agency.

Pine Belt serves as the Managing General Partner for Shady Lane Senior Apartments, ALPIC organized and operated for the purchase, remodeling and ownership management of a thirty-two-unit apartment complex in Winnfield, Louisiana, known as Shady Lane Senior Apartments, permanent financing provided with funds provided by the Home Affordable Rental Program and tax credits through regulatory agreements with Louisiana Housing Finance Agency.

Pine Belt received a management fee from these partnerships for being the Managing General Partner in the amount of \$6,855 for the period ending June 30, 2017.

Pine Belt Multi-Purpose Community Action Agency, Inc.
Notes to Financial Statements (Continued)

NOTE P. UNCERTAIN TAX POSITIONS

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 22, 2017, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by Internal Revenue Service for the years ended June 30, 2015, 2016, and 2017; however, there are currently no audits for any tax period in progress.

NOTE Q. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 22, 2017, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.



ROSIE D. HARPER

Certified Public Accountant, LLP

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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 Directors of
Pine Belt Multi-Purpose Community Action Agency, Inc.
Jonesboro, 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 Pine Belt Multi-Purpose Community Action Agency, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated December 22, 2017.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Pine Belt Multi-Purpose Community Action Agency, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Pine Belt Multi-Purpose Community Action Agency, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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. 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.

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* (Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pine Belt Multi-Purpose Community Action Agency, Inc.'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 organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Rosie D. Harper
Certified Public Accountant

Monroe, Louisiana
December 22, 2017



ROSIE D. HARPER

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE**

To the Board of Directors
Pine Belt Multi-Purpose Community Action Agency, Inc
Jonesboro, Louisiana

Report on Compliance for Each Major Federal Program

I have audited Pine Belt Multi-Purpose Community Action Agency, Inc's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Pine Belt Multi-Purpose Community Action Agency, Inc's major federal programs for the year ended June 30, 2017. Pine Belt Multi-Purpose Community Action Agency, Inc's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of Pine Belt Multi-Purpose Community Action Agency, Inc's compliance.

Opinion on Each Major Federal Program

In my opinion, Pine Belt Multi-Purpose Community Action Agency, Inc complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

**Independent Auditor's Report On Compliance For Each Major Program And On Internal Control Over Compliance
Required by the Uniform Guidance (Continued)**

Other Matters

The results of my auditing procedures did not disclose any instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance.

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Rosie D. Harper
Certified Public Accountant

Monroe, Louisiana
December 22, 2017

SUPPLEMENTAL INFORMATION

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.
 Schedule of Assets, Liabilities, and Net Assets
 For the Year Ended
 June 30, 2017

Assets	Unrestricted	Temporarily Restricted					Total	
	General	Head Start Program	Child Nutrition Services	Community Services	Housing Services	Summer Food Service	Total	Funds
Cash and Cash Equivalents	\$ 29,219	\$ 9,265	\$ 21,168	\$ -	\$ 1,565	\$ 11,578	\$ 43,576	\$ 72,795
Grants Receivables	-	11,563	-	17,187	-	10,862	39,612	39,612
Due from Other Funds	22,440	-	-	-	-	-	-	22,440
Property, Plant & Equipment (Net)	-	149,133	-	1,212	-	-	150,345	150,345
Total Assets	51,659	169,961	21,168	18,399	1,565	22,440	233,533	285,192
Liabilities and Net Assets								
Liabilities:								
Accrued Liabilities	57,031	15,982	-	17,187	-	-	33,169	90,200
Due to Other Funds	-	-	-	-	-	22,440	22,440	22,440
Line of Credit	8,260	-	-	-	-	-	-	8,260
Total Liabilities	65,291	15,982	-	17,187	-	22,440	55,609	120,900
Net Assets:								
Unrestricted:								
Investment in Fixed Assets	-	149,133	-	1,212	-	-	150,345	150,345
Operating	(13,632)	-	-	-	-	-	-	(13,632)
Total Unrestricted	(13,632)	149,133	-	1,212	-	-	150,345	136,713
Temporarily Restricted	-	4,846	21,168	-	1,565	-	27,579	27,579
Total Net Assets	(13,632)	153,979	21,168	1,212	1,565	-	177,924	164,292
Total Liabilities and Net Assets	\$ 51,659	\$ 169,961	\$ 21,168	\$ 18,399	\$ 1,565	\$ 22,440	\$ 233,533	\$ 285,192

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.
Schedule of Support, Revenue, Expenses, and Changes in Net Assets
For the Year Ended
June 30, 2017

Schedule 2

	UNRESTRICTED		Temporarily Restricted				Total	
	General	Head Start Program	Child Nutrition Services	Community Services	Housing Services	Summer Food Service	Total	Funds
UNRESTRICTED NET ASSETS								
Support								
Donation (Police Juries)	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000
Inkind Contributions	-	723,476	-	-	-	-	723,476	723,476
Interest	-	-	-	-	-	-	-	-
Other Revenues	23,636	46	-	-	5	-	51	23,687
Total Support	98,636	723,522	-	-	5	-	723,527	822,163
TOTAL UNRESTRICTED SUPPORT	98,636	723,522	-	-	5	-	723,527	822,163
Net Assets Released from Restrictions								
Restrictions Satisfied by Payments	3,904,819	-	-	-	-	-	-	3,904,819
TOTAL UNRESTRICTED SUPPORT AND RECLASSIFICATION	4,003,455	723,522	-	-	5	-	723,527	4,726,982
Expenses								
Program Expense	3,782,680	723,476	-	-	-	-	723,476	4,506,156
General and Administrative Expenses	208,190	-	-	-	-	-	-	208,190
Total Expenses	3,990,870	723,476	-	-	-	-	723,476	4,714,346
Change in Unrestricted Net Assets	12,585	46	-	-	5	-	51	12,636
TEMPORARILY RESTRICTED NET ASSETS								
Grants								
Federal	-	2,811,556	304,375	458,109	83,144	236,198	3,893,382	3,893,382
TOTAL TEMPORARILY RESTRICTED SUPPORT	-	2,811,556	304,375	458,109	83,144	236,198	3,893,382	3,893,382
Net Assets Released from Restrictions								
Restrictions Satisfied by Payments	-	(2,819,557)	(301,327)	(458,939)	(88,798)	(236,198)	(3,904,819)	(3,904,819)
Change in Temporarily Restricted Net Assets	-	(8,001)	3,048	(830)	(5,654)	-	(11,437)	(11,437)
Change in Net Assets	12,585	(7,955)	3,048	(830)	(5,649)	-	(11,386)	1,199
Net Assets as of Beginning of Year	(26,217)	161,934	18,120	2,042	7,214	-	189,310	163,093
Net Assets as of End of Year	\$ (13,632)	\$ 153,979	\$ 21,168	\$ 1,212	\$ 1,565	\$ -	\$ 177,924	\$ 164,292

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.
 Schedule of Cash Flows
 For the Year Ended
 June 30, 2017

	<u>UNRESTRICTED</u>	<u>Temporarily Restricted</u>					<u>Total</u>	
	<u>General</u>	<u>Head Start Program</u>	<u>Child Nutrition Services</u>	<u>Community Services</u>	<u>Housing Services</u>	<u>Summer Food Service</u>	<u>Total</u>	<u>Funds</u>
Operating Activities								
Change in Net Assets	\$ 12,585	\$ (7,955)	\$ 3,048	\$ (830)	\$ (5,649)	\$ -	\$ (11,386)	\$ 1,199
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:								
Provision for Depreciation	-	7,956	-	830	-	-	8,786	8,786
Decrease (Increase) in Grants Receivable/Other Receivables	-	(5,145)	-	(13,760)	-	59,975	41,070	41,070
Decrease (Increase) in Due from Other Funds	(7,418)	15	(15)	-	-	-	-	(7,418)
Increase (Decrease) in Accounts Payable/Accrued Liabilities	(3,394)	4,501	-	13,461	-	-	17,962	14,568
Increase (Decrease) in Deferred Revenue	-	-	-	-	-	(63,732)	(63,732)	(63,732)
Increase (Decrease) in Due to Other Funds	-	-	-	-	-	7,418	7,418	7,418
Total Adjustments	(10,812)	7,327	(15)	531	-	3,661	11,504	692
Net Cash Provided (Used) by Operating Activities	1,773	(628)	3,033	(299)	(5,649)	3,661	118	1,891
Financing Activities								
Principal Payments on Line of Credit	(6,039)	-	-	-	-	-	-	(6,039)
Net Cash Provided (Used) by Financing Activities	(6,039)	-	-	-	-	-	-	(6,039)
Net Increase (Decrease) in Cash and Cash Equivalents	(4,266)	(628)	3,033	(299)	(5,649)	3,661	118	(4,148)
Cash and Cash Equivalents as of Beginning of Year	33,485	9,893	18,135	299	7,214	7,917	43,458	76,943
Cash and Cash Equivalents as of the End of Year	\$ 29,219	\$ 9,265	\$ 21,168	\$ -	\$ 1,565	\$ 11,578	\$ 43,576	\$ 72,795
Supplemental Information:								
Interest Paid	\$ 1,661	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,661

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.
 Schedule of Functional Expenses
 For the Year Ended
 June 30, 2017

	<u>UNRESTRICTED</u>						<u>Temporarily Restricted (Reclassified to Unrestricted)</u>		<u>Total</u>
	<u>General</u>	<u>Head Start Program</u>	<u>Child Nutrition Services</u>	<u>Community Services</u>	<u>Housing Services</u>	<u>Summer Food Service</u>	<u>Total</u>	<u>Funds</u>	
General & Administrative									
Personnel Costs									
Salaries and Wages	\$ 17,346	\$ -	\$ -	\$ 93,320	\$ -	\$ 15,799	\$ 109,119	\$ 126,465	
Payroll Taxes and Other Fringe Benefits	1,654	-	-	19,086	-	1,209	20,295	21,949	
Total Personnel Costs	19,000	-	-	112,406	-	17,008	129,414	148,414	
Other Expenses									
Insurance	1,310	-	-	-	-	-	-	1,310	
Interest	1,661	-	-	-	-	-	-	1,661	
Occupancy	9,939	-	-	-	-	-	-	9,939	
Other General and Administrative Expenses	14,173	-	-	23,665	-	-	23,665	37,838	
Professional Services	1,095	-	-	-	-	912	912	2,007	
Repairs & Maintenance	2,438	-	-	-	-	-	-	2,438	
Supplies and Postage	1,617	-	-	-	-	-	-	1,617	
Telephone	1,172	-	-	-	-	-	-	1,172	
Travel	1,115	-	-	-	-	256	256	1,371	
Vehicle Operating Expense	423	-	-	-	-	-	-	423	
Total Other Expenses	34,943	-	-	23,665	-	1,168	24,833	59,776	
Total General & Administrative	53,943	-	-	136,071	-	18,176	154,247	208,190	
Program Expenses									
Personnel Costs									
Salaries and Wages	9,581	1,978,519	140,642	208,960	-	80,786	2,408,907	2,418,488	
Payroll Taxes and Other Fringe Benefits	-	348,187	10,583	41,352	-	7,734	407,856	407,856	
Total Personnel Costs	9,581	2,326,706	151,225	250,312	-	88,520	2,816,763	2,826,344	
Other Expenses									
Client and Assistance Payments	50	-	-	389	78,716	-	79,105	79,155	
Community Outreach	21,751	-	-	-	-	-	-	21,751	
Depreciation	-	7,956	-	830	-	-	8,786	8,786	
Food and Related Supplies	-	-	148,543	-	-	88,055	236,598	236,598	
In-kind-Facilities/Volunteers	-	723,476	-	-	-	-	723,476	723,476	
Insurance	-	4,795	-	-	-	-	4,795	4,795	
Occupancy	-	80,968	-	-	-	-	80,968	80,968	
Other Direct Activity Expense	-	-	-	57,587	-	3,162	60,749	60,749	
Other Program Expense	726	41,317	-	13,750	10,082	24,685	89,834	90,560	
Professional Services	-	27,018	-	-	-	-	27,018	27,018	
Printing & Advertising	-	1,807	-	-	-	-	1,807	1,807	
Repairs and Maintenance	-	76,772	-	-	-	-	76,772	76,772	
Supplies and Postage	-	81,838	1,559	-	-	13,600	96,997	96,997	
Telephone	-	39,285	-	-	-	-	39,285	39,285	
Training & Development	-	11,053	-	-	-	-	11,053	11,053	
Travel	-	2,400	-	-	-	-	2,400	2,400	
Vehicle Operation	-	117,642	-	-	-	-	117,642	117,642	
Total Other Expenses	22,527	1,216,327	150,102	72,556	88,798	129,502	1,657,285	1,679,812	
Total Program Expenses	32,108	3,543,033	301,327	322,868	88,798	218,022	4,474,048	4,506,156	
Total Functional Expenses	\$ 86,051	\$ 3,543,033	\$ 301,327	\$ 458,939	\$ 88,798	\$ 236,198	\$ 4,628,295	\$ 4,714,346	

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.
 Schedule of Expenditures of Federal Awards
 For the Year Ended
 June 30, 2017

SOURCE OF FEDERAL ASSISTANCE AGENCY	FEDERAL CFDA NUMBER	FEDERAL EXPENDITURES
U.S. Department of Health and Human Services		
Direct Programs:		
Head Start	93.600	\$ 2,811,556
Passed Through Louisiana Workforce Commission Office of Workforce Development Community Services Block Grant	93.569	458,109
Total U.S. Department of Health and Human Services		3,269,665
U.S. Department of Housing and Urban Development		
Direct Programs:		
Section 8 Housing Assistance Payment Program-(Jackson Parish and Portability)	14.871	83,144
Total U.S. Department of Housing and Urban Development		83,144
U.S. Department of Agriculture		
Passed Through Louisiana Department of Education		
Child and Adult Care Food Program	10.558	304,375
Summer Food Services Program	10.559	236,198
Total U.S. Department of Agriculture		540,573
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ 3,893,382

**PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2017**

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

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.
Jonesboro, Louisiana

Schedule of Finding and Questions Costs
June 30, 2017

NOTE A. SUMMARY OF AUDIT RESULTS

1. Financial Statements:

Type of auditor's report issued: Unmodified

2. Internal Control Over Financial Reporting

- a. Material weakness identified? No
- b. Significant deficiencies identified? None
- c. Non compliance material to financial statements noted? No

3. Federal Awards:

- a. Material weakness identified? No
- b. Significant deficiencies identified? None
- c. Type of auditor's report issued on compliance for major programs: Unmodified
- d. Any audit finding disclosed that are required to be reported in accordance by Uniform Guidance? None
- e. Identification of major programs:

CDFA Number	Name of Federal Program
93.600	Head Start

Dollar threshold used to distinguish between type A and Type B Programs: \$750,000.

- f. Auditee qualified as low-risk auditee? Yes

NOTE B. FINANCIAL STATEMENTS FINDINGS

NONE

NOTE C. FEDERAL AWARD FINDINGS AND QUESTION COSTS

NONE

General Unrestricted Fund
 Schedule of Revenues, Expenses, and Changes in Net Assets
 For the Year Ended
 June 30, 2017

Revenue	
Police Jury Grants and Contributions	\$ 75,000
Miscellaneous Income	23,636
Total Revenue	<u>98,636</u>
Expenses	
Personnel Costs	
Salaries and Wages	26,927
Payroll Taxes and Other Fringe Benefits	1,654
Total Personnel Costs	<u>28,581</u>
Other Expenses	
Client and Assistance Payments	50
Community Outreach	21,751
Insurance	1,310
Interest	1,661
Miscellaneous	14,899
Occupancy	9,939
Professional Services	1,095
Repairs & Maintenance	2,438
Supplies	1,617
Telephone	1,172
Travel	1,115
Vehicle Operation	423
Total Other Expenses	<u>57,470</u>
Total Expenses	<u>86,051</u>
Net Change in Net Assets	12,585
Net Assets, July 1, 2016	<u>(26,217)</u>
Net Assets, June 30, 2017	<u>\$ (13,632)</u>

See Accompanying Auditor's Report and Notes to Financial Statements.

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.

Head Start Grant No. 06CH7145/03
 Schedule of Revenues, Expenses, and Changes in Net Assets
 Budget to Actual

For the Contract Period: December 1, 2015 to November 30, 2016

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenue			
Amount Awarded this Budget Period	\$ 2,516,765	\$ 2,516,765	\$ -
Total Head Start Grant Revenues	<u>2,516,765</u>	<u>2,516,765</u>	<u>-</u>
Interest Income	36	36	-
Grantee's Contribution	629,191	641,827	(12,636)
Total Revenues	<u>3,145,992</u>	<u>3,158,628</u>	<u>(12,636)</u>
Expenses			
Personnel Costs			
Salaries and Wages	1,777,039	1,735,422	41,617
Payroll Taxes and Other Fringe Benefits	305,701	329,187	(23,486)
Total Personnel Costs	<u>2,082,740</u>	<u>2,064,609</u>	<u>18,131</u>
Other Expenses			
Non Federal Cost (Facilities and Volunteers)	629,191	641,827	(12,636)
Travel/Transportation	8,519	1,501	7,018
Contractual	34,500	25,528	8,972
Supplies	56,078	71,102	(15,024)
TTA	35,332	31,020	4,312
Other	299,632	323,041	(23,409)
Total Other Expenses	<u>1,063,252</u>	<u>1,094,019</u>	<u>(30,767)</u>
Total Expenses	<u>3,145,992</u>	<u>3,158,628</u>	<u>(12,636)</u>
Change in Net Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Auditor's Report and Notes to Financial Statements.

Child and Adult Care Food Program
Louisiana Department of Education
Schedule of Revenues, Expenses, and Changes in Net Assets
For the Period: October 1, 2015 to September 30, 2016

Revenue	
Contract Revenue	\$ 288,729
Total Revenue	<u>288,729</u>
Expenses	
Personnel Costs	
Salaries and Wages	138,594
Payroll Taxes and Other Fringe Benefits	<u>10,439</u>
Total Personnel Costs	<u>149,033</u>
Other Expenses	
Food Service Costs	<u>142,451</u>
Total Other Expenses	<u>142,451</u>
Total Expenses	<u>291,484</u>
Change in Net Assets	\$ (2,755)
Beginning Net Assets	<u>30,962</u>
Ending Net Assets	<u><u>28,207</u></u>

See Accompanying Auditor's Report and Notes to Financial Statements.

Community Services Block Grant Department of Labor
 Contract No. 2016N0032
 Schedule of Revenues, Expenses, and Changes in Net Assets
 Budget to Actual
 For the Contract Period: October 1, 2015 to September 30, 2017
 For the Reporting Period: April 1, 2016 to June 30, 2017

	Budgeted	Actual	Variance
Revenue			
Contract Revenue	\$ 437,053	\$ 437,053	\$ -
Total Revenue	437,053	437,053	-
Expenses			
Personnel Costs			
Salaries and Wages	271,219	273,862	(2,643)
Payroll Taxes and Other Fringe Benefits	57,499	58,137	(638)
Total Personnel Costs	328,718	331,999	(3,281)
Other Expenses			
Administration	29,427	28,289	1,138
Program Activities	78,908	76,765	2,143
Total Other Expenses	108,335	105,054	3,281
Total Expenses	437,053	437,053	-
Change in Net Assets	\$ -	\$ -	\$ -

See Accompanying Auditor's Report and Notes to Financial Statements.

Community Services Block Grant Department of Labor
 Contract No. 2017N0032
 Schedule of Revenues, Expenses, and Changes in Net Assets
 Budget to Actual
 For the Contract Period: October 1, 2016 to September 30, 2018
 For the Reporting Period: March 1, 2017 to June 30, 2017

	Budgeted	Actual	Variance
Revenue			
Contract Revenue	\$ 417,304	\$ 131,253	\$ 286,051
Total Revenue	417,304	131,253	286,051
Expenses			
Personnel Costs			
Salaries and Wages	317,111	92,605	224,506
Payroll Taxes and Other Fringe Benefits	55,000	18,020	36,980
Total Personnel Costs	372,111	110,625	261,486
Other Expenses			
Administration	9,800	4,340	5,460
Program Activities	35,393	16,288	19,105
Total Other Expenses	45,193	20,628	24,565
Total Expenses	417,304	131,253	286,051
Change in Net Assets	\$ -	\$ -	\$ -

See Accompanying Auditor's Report and Notes to Financial Statements.

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.

Section 8 Housing Assistance Program

Schedule of Revenues, Expenses, and Changes in Net Assets

For the Contract Period: October 1, 2015 to September 30, 2016

Revenue

United States Department of HUD	\$ 24,063
United States Department of HUD-Admin	6,474
Housing Authorities	43,495
HA Port-in Admin	5,109
Utility Assistance	132
Interest Income	5
Total Revenue	<u>79,278</u>

Expenses

Program Reimbursements	5,940
Housing Assistance Payments	72,568
Utility Assistance Payments	236
Total Expenses	<u>78,744</u>

Change in Net Assets

Change in Net Assets	<u>534</u>
Beginning Net Assets	1,847
Ending Net Assets	<u>2,381</u>

See Accompanying Auditor's Report and Notes to Financial Statements.

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.

Summer Feeding Program Program
 Schedule of Revenues, Expenses, and Changes in Net Assets
 For the Contract Period: June 1, 2016 to July 31, 2016

Revenue	
Grant Revenue	\$ 228,161
Total Revenue	<u>228,161</u>
Expenses	
Personnel Costs	
Salaries and Wages	84,021
Payroll Taxes and Other Fringe Benefits	9,556
Total Personnel Costs	<u>93,577</u>
Other Expenses	
Food Service Costs	87,729
Other Program Costs	6,603
Rent Expense	12,915
Supplies	13,263
Utilities	2,562
Total Other Expenses	<u>123,072</u>
Total Expenses	<u>216,649</u>
Change in Net Assets	<u><u>\$ 11,512</u></u>

See Accompanying Auditor's Report and Notes to Financial Statements.

Parent Fundraising Accounts
 Schedule of Changes in Cash Balances
 June 30, 2017

	Bienville Center	CC Lewis Center	Jasper Henderson Center	Ringgold Center	Red River Center	Union Bee Center	Winn Center	Total
Beginning Cash:	7,101	2,779	3,929	1,202	4,779	2,773	1,146	23,709
Revenue:								
Contributions/Fundraisers	6,678	2,637	1,050	352	1,404	5,900	1,321	19,342
Disbursements:	6,306	1,714	937	404	2,717	6,877	1,741	20,696
Net Change in Cash:	372	923	113	(52)	(1,313)	(977)	(420)	(1,354)
Ending Cash:	<u>7,473</u>	<u>3,702</u>	<u>4,042</u>	<u>1,150</u>	<u>3,466</u>	<u>1,796</u>	<u>726</u>	<u>22,355</u>

See Accompanying Auditor's Report and Notes to Financial Statements.

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.
Schedule of Board Members

For the Year Ended
June 30, 2017

Board Member	Title	Location
William Ruffin	Chairman	Many, Louisiana
Jessie Davis	Vice Chairman	Coushatta, Louisiana
Cora Stringer	Secretary	Jonesboro, Louisiana
Maxie Monroe	Board Member	Jonesboro, Louisiana
Freddie Blow	Board Member	Gibsland, Louisiana
Michelle Carpenter	Board Member	Winnfield, Louisiana
Donald Russell	Board Member	Bienville, Louisiana
Stephen Katz	Board Member	Bastrop, Louisiana
Charolette Taylor	Board Member	Coushatta, Louisiana
Shirley Radford	Board Member	Winnfield, Louisiana
Richard Woods	Board Member	Many, Louisiana
LaNatasha Jackson	Board Member (Until January 2017)	Coushatta, Louisiana
Lettie Rochell	Board Member	Arcadia, Louisiana
Lora Fielder	Board Member	Bastrop, Louisiana
Yumeaka Washington	Board Member	Jonesboro, Louisiana
Rosa Williams	Board Member	Winnfield, Louisiana
Dorothy Thomas	Board Member	Bastrop, Louisiana
Ben Taylor	Board Member (Effective February 2017)	Coushatta, Louisiana
Donnie Edmonson	Board Member	Florien, Louisiana

See Accompanying Auditor's Report and Notes to Financial Statements.

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.
Schedule of Compensation - Key Management

Schedule 16

For the Year Ended
June 30, 2017

Job Title	<u>Conchita Doyle</u> Executive Director	<u>Shirley Henson</u> Director of Headstart
Salary	86,020	66,959
401K	-	1,560
Benefits-Insurance	9,989	6,487
Benefits-Retirement	-	-
Other Benefits	-	-
Car Allowance	-	-
Vehicle provided by Government	-	-
Per Diem	-	419
Reimbursements	363	25
Travel	-	-
Registration Fees	250	250
Conference Travel	-	-
Continuing Professional Education Fees	-	-
Lodging	-	555
Unvouchered Expenses	-	-
Special Meals	-	-
Total Compensation	<u>96,622</u>	<u>76,255</u>

See Accompanying Auditor's Report and Notes to Financial Statements.

**LOUISIANA COMPLIANCE QUESTIONNAIRE
(For Audit Engagements of Quasi-Public Agencies)**

November 8, 2017

Rosie D. Harper, CPA, LLP
300 Washington Street Ste. 308
Monroe, LA 71201

In connection with your audit of our financial statements as of June 30, 2017 and for year then ended for the purpose of expressing an opinion as to the fair presentation of our financial statements in accordance with accounting principles generally accepted in the United States of America, to assess our internal control structure as a part of your audit, and to review our compliance with applicable laws and regulations, we confirm, to the best of our knowledge and belief, the following representations. These representations are based on the information available to us as of November 8, 2017 date of the representations).

PART I. Agency Profile

1. Name and address of the organization.

**Pine Belt Multi-Purpose Community Action Agency, Inc.
708 South Cooper Avenue
Jonesboro, Louisiana 71251**

2. List names, addresses, and telephone numbers of entity officials. Include elected/appointed members of the governing board, chief executive and fiscal officer, and legal counsel.

See Attachment

3. Period of time covered by this questionnaire.

FY June 30, 2017

4. The entity has been organized under the following provisions of the Louisiana Revised Statute(s) (R.S.) and, if applicable, local resolutions/ordinances.

LA Revised Statute Title 12

5. Briefly describe the public services provided.

The center provides the following services:

- **Comprehensive child development services to low-income children and families with a special focus on helping preschoolers develop reading and math skills;**
- **Assist low-income people in becoming self-sufficient by initiating and sponsoring projects responsive to their needs in which the poor have a direct influence and input;**
- **To make the entire community more responsive to the needs and interest of the poor by mobilizing available resources and bringing about a greater institutional sensitivity;**
- **Programs to low and moderate-income persons such as decent affordable housing, commodities, Medicaid, etc.**

6. Expiration date of current elected/appointed officials' terms.

Three to Five Years

Part II. Federal, State, and Local Awards

7. We have detailed for you the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes No

8. All transactions relating to federal grants have been properly recorded within our accounting records and reported to the appropriate federal grantor officials.

Yes No

9. All transactions relating to state grants have been properly recorded within our accounting records and reported to the state grantor officials.

Yes No

10. All transactions relating to local grants have been properly recorded within our accounting records and reported to the appropriate local grantor officials.

Yes No

11. The reports filed with federal agencies are properly supported by books of original entry and supporting documentation.

Yes No

12. The reports filed with state agencies are properly supported by books of original entry and supporting documentation.

Yes No

13. The reports filed with local agencies are properly supported by books of original entry and supporting documentation.

Yes No

14. We have complied with all applicable compliance requirements of all federal programs we administer,

Yes No

15. We have complied with all applicable specific requirements of all state programs we administer, to include matters contained in the grant awards.

Yes No

16. We have complied with all applicable specific requirements of all local programs we administer, to include matters contained in the grant awards.

Yes No

17. We have provided you with all communications from grantors concerning noncompliance with or deficiencies in administering grant programs.

Yes No

Part III. Public Records

18. We are familiar with the Public Records Act and have made available to the public those records as required by R.S. 44:33.

Yes No

Part IV. Open Meetings

19. Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website at <http://app1.la.state.la.us/lla.nsf>, to determine whether a non-profit agency is subject to the open meetings law.**

Yes No

Part V. Budget

20. For each federal grant, we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration.

Yes No

21. For each grant received from the state, we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose, duration, specific goals and objectives, and measures of performance.

Yes No

22. For each local grant, we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration.

Yes No

Part VI. Reporting

23. We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes No

The previous responses have been made to the best of our belief and knowledge. We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur subsequent to the issuance of your report.

Conchita Malone-Doyle Secretary November 8, 2017 Date

William Ruffin Treasurer November 8, 2017 Date

William Ruffin President November 8, 2017 Date

ADMINISTERING BOARD COMPOSITION
OF
PINE BELT MULT-PURPOSE CAA, INC.

Board Member	Location
William Ruffin, <i>Chairman</i>	Many, LA
Jessie Davis, <i>Vice Chairman</i>	Coushatta, LA
Cora Stringer, <i>Secretary</i>	Jonesboro, LA
Maxie Monroe	Jonesboro, LA
Dorothy Thomas	Bastrop, LA
Freddie Blow	Gibsland, LA
Michelle Carpenter	Winnfield, LA
Yumeaka Washington	Jonesboro, LA
Richard Woods	Many, LA
Rosa Williams	Winnfield, LA
Lettie Rochell	Arcadia, LA
LaNatasha Jackson	Coushatta, LA
Lora Fielder	Bastrop, LA
Donald Russell	Bienville, LA
Stephen J. Katz	Bastrop, LA
Shirley Radford	Winnfield, LA
Donnie Edmonson	Florien, LA
Charlotte Taylor	Coushatta, LA
Ben Taylor	Coushatta, LA

**PINE BELT MULTI-PURPOSE COMMUNITY ACTION
AGENCY, INC.
JONESBORO, LOUISIANA**

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
As of and for the Year Ended June 30, 2017**

BY

**ROSIE D. HARPER
CERTIFIED PUBLIC ACCOUNTANT, LLP**

**300 Washington Street, Suite 308 • Monroe, Louisiana 71201
OFFICE (318) 387-8008 • FAX (318) 387-0806**

**PINE BELT MULTI-PURPOSE COMMUNITY ACTION
AGENCY, INC.
JONESBORO, LOUISIANA**

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
As of and for the Year Ended June 30, 2017**

**PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.
Jonesboro, Louisiana**

**Independent Accountant's Report
On Applying Agreed-Upon Procedures
As of and for the Year Ended June 30, 2017**

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ROSIE D. HARPER

Certified Public Accountant, LLP

300 Washington Street, Suite 308 • Monroe, Louisiana 71201

Phone: (318) 387-8008 • Fax: (318) 387-0806

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
Pine Belt Multi-Purpose Community Action Agency, Inc. and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by Pine Belt Multi-Purpose Community Action Agency, Inc. (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 fiscal period July 1, 2016 through June 30, 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:

Written Policies and Procedures

1. I obtained the entity's written policies and procedures and determined 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

The Entity's written policies and procedures do not provide guidelines for adopting, monitoring, and amending the budget. The entity does prepare budgets for all programs. The budgets are prepared by the Executive Director or Director of Headstart. Each budget is presented to and approved by the board of directors.

- 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.

The Entity's written policies and procedures do not provide guidelines for how purchases are initiated, vendors are added to the vendor list, the preparation and approval process of purchase requisitions and purchase orders. The Entity does follow the procedures required by the Louisiana Public Bid Law. The written policies and procedures do not address how the Entity ensures compliance with the public bid law, and documentation required to be maintained for all bids and price quotes.

Pine Belt Multi-Purpose Community Action Agency, Inc.
Independent Accountants Report on Applying Agreed-Upon Procedures (Continued)

- c) *Disbursements*, including processing, reviewing, and approving

The Entity's written policies and procedures do not provide guidelines for processing, reviewing, and approval of disbursements. All disbursements are approved and reviewed at the appropriate level. Each disbursement is paid by original invoice. They are processed by personnel who are separate from the person who initiates, approves and signs checks.

- d) *Receipts*, including receiving, recording, and preparing deposits

The Entity's written policies and procedures do not provide guidelines for receiving, recording, and preparing deposits. Ninety-six percent of all grants and public funds are direct deposited. Minimal amounts of funds are collected by check. These funds are reconciled by one of the three accounting clerks and deposited to the respective program bank accounts in a timely manner. The Entity's accounting staff reconciles collection documentation to deposit slips before posting the receipts to the general ledger. My testing disclosed no discrepancies.

- e) *Payroll/Personnel*, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

The Entity's written policies and procedures does provide guidelines for payroll processing and approval. The written policies and procedures do address attendance records, overtime and approval of leave time. The Entity does have an established process to approve attendance and leave time. The employees do not work overtime.

- 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

The Entity's policies and procedures manual does not provide guidelines for contracting including types of services requiring written contracts, standard terms and conditions, legal review, approval process, and monitoring process. The Entity follows the procedures of the Louisiana Public Bid Law.

- 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

The Entity's written policies and procedures do not provide guidelines for credit cards. All credit cards are stored in locked files. Employees must submit written request for use and sign out the cards. When the cards are returned, they must be signed in with the supporting documentation for the approved purchase.

- h) *Travel and expense reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

The Entity's written policies and procedures do provide guidelines for travel and expense reimbursement, including allowable expenses, dollar thresholds by category of expense, documentation requirements, and required approvers. The Entity prepares a written itinerary for personnel travel. Each person who receives travel reimbursements is required to prepare a travel expense report with attached documentation of expenses.

- 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. Note: Ethics requirements are not applicable to nonprofits.

N/A

Pine Belt Multi-Purpose Community Action Agency, Inc.
Independent Accountants Report on Applying Agreed-Upon Procedures (Continued)

- j) *Debt Service*, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

N/A

Board (or Finance Committee, if applicable)

2. I obtained and reviewed the board/committee minutes for the fiscal period, and:

- a) Determined 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.

The Entity's board of directors met with a quorum on a frequency in accordance with the board's bylaws.

- b) Determined 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.

The Entity's minutes did not reference monthly budget-to-actual comparisons on the financial information. The accounting staff does provide quarterly financial statements to the board.

- c) Reported 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.

The Entity's minutes referenced non-budgetary financial information, such as approval of contracts, grant applications and personnel matters.

Bank Reconciliations

3. I obtained a listing of client bank accounts from management and management's representation that the listing is complete.

4. Using the listing provided by management, I selected all 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. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtained bank statements and reconciliations for all months in the fiscal period and determined whether:

- a) Bank reconciliations have been prepared;

Bank reconciliations were performed on all bank accounts provided by the Entity's management.

Pine Belt Multi-Purpose Community Action Agency, Inc.
Independent Accountants Report on Applying Agreed-Upon Procedures (Continued)

- 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 bank reconciliations are prepared by the Accounting Clerks and Fiscal Manager and reviewed monthly by the Executive Director or Headstart Director. No reconciled items were on the bank statement outstanding for more than six months as of the end of the fiscal period.

Collections

- 5. I obtained 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, I selected all 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. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement. For each cash collection location selected:*

- a) I obtained existing written documentation (e.g. insurance policy, policy manual, job description) and determined 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.

The Entity collects a minimal amount of cash. The collections are from fundraisers which are conducted by the parents for the Headstart Centers. Funds received are in the form of checks or money orders. The funds are sometimes collected and deposited by the Center Directors. A report and the deposit slip are forwarded to the Headstart Central office. Bank statements for the Headstart Centers are reconciled by personnel at the Central Office. All individuals responsible for handling cash are bonded.

- b) I obtained existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and determined 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.

The Entity collects a minimal amount of cash. The collections are from fundraisers which are conducted by the parents for the Headstart Centers. Funds received are in checks or money orders. The funds are sometimes collected and deposited by the Center Directors. A report and the deposit slip are forwarded to the Headstart Central office. Bank statements for the Headstart Centers are reconciled by personnel at the Central Office. All individuals responsible for handling cash are bonded.

- c) I selected 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, traced daily collections to the deposit date on the corresponding bank statement and determined 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, verified that daily cash collections are completely supported by documentation and report any exceptions.

My testing disclosed no discrepancies.

7. Obtained existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Since the Entity is on the free lunch program and does not receive cash for lunch money. The Entity's revenue mainly consists of federal and state grants. Ninety-six percent of all grants and public funds are direct deposited. Minimal amounts of funds are collected by check. These funds are reconciled by one of the three accounting clerks and deposited to the respective program bank accounts in a timely manner. The Entity's accounting staff reconciles collection documentation to deposit slips before posting the receipts to the general ledger. My testing disclosed no discrepancies.

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

8. I obtained a listing of the entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. I obtained management's representation that the listing or general ledger population is complete.
9. Using the disbursement population from #8 above, I randomly selected 25 disbursements (or randomly selected 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. Obtained supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and determined 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.

All purchases were not initiated using a requisition or purchase order system. The person requesting purchases are separate from approval functions. All purchases are pre-approved by the appropriate level of management. Payments for purchases are paid by original invoices.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

All purchases are not made by purchase orders but were all approved by the appropriate levels of management who did not initiate the purchase. My testing did not disclose any discrepancies.

- 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.

Requisitions or purchase orders were not always used by the Entity. Payments for purchases were not processed without approval from an appropriate level of management, a receiving report showing receipt of goods purchased and an approved invoice.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), I determined whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

The person responsible for processing payments is not prohibited from adding vendors to the Entity's purchasing and disbursement system but is separate from the person who authorizes and signs checks. All vendor additions and disbursements were approved by authorized personnel and management at an appropriate level.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), I determined whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Persons with signatory authority or who make the final authorization for disbursements are separate from the person responsible for recording but not always separate from the person responsible for initiating purchases.

12. Inquired of management and observed 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.

Unused checks are maintained in a locked location. Custody of the blank checks is by a person separate from the person who has signatory authority. Persons with signing authority do not have system access to print checks.

13. If a signature stamp or signature machine is used, inquired 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.

N/A

Credit Cards/Debit Cards/Fuel Cards/P-Cards

14. I obtained 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 and obtained management's representation that the listing is complete.
15. Using the listing prepared by management, I randomly selected 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.
- a) I determined whether there was 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

The results of my test disclosed no discrepancies.

Pine Belt Multi-Purpose Community Action Agency, Inc.
Independent Accountants Report on Applying Agreed-Upon Procedures (Continued)

- b) I determined whether finance charges and/or late fees were assessed on the selected statements.

The Entity did not incur any finance charges or late fees.

16. Using the monthly statements or combined statements I 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, I determined 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.)

The results of my test disclosed no discrepancies.

- b) For each transaction, compared 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.

The results of my test disclosed no discrepancies.

- c) For each transaction, compared 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.

The results of my test disclosed no discrepancies.

Travel and Expense Reimbursement

- 18 I obtained 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. I obtained management's representation that the listing or general ledger is complete.

- 19 I obtained the entity's written policies related to travel and expense reimbursements. Compared the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and determined any amounts that exceed GSA rates.

The Entity's written policies and procedures do not provide guidelines for travel and expense reimbursement. The Entity adheres to the state of Louisiana guidelines for travel and requires an expense reimbursement report with supporting documentation for travel expenses. There were no amounts paid for travel and expense reimbursement that exceeded General Services Administration rates.

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Using the listing or general ledger from #17 above, selected the three persons who incurred the most travel costs during the fiscal period. I obtained 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) The entity does not have written policies. I compared to the GSA rates (#18 above) to determine if each reimbursement exceeded those rates.

All travel and mileage reimbursements were less than or equal to the rates established by the U.S. General Services Administration.

- b) I determined 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)

My testing did not disclose any discrepancies.

- c) I compared 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.

The results of my test disclosed no discrepancies.

- I determined whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

All travel requests are approved by someone other than the person receiving the reimbursement.

Contracts

20. Obtained a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtained management's representation that the listing or general ledger is complete.

21. Using the listing above, selected the five contracts "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtained the related contracts and paid invoices and:

- a) Reported whether there is a formal/written contract that supports the services arrangement and the amount paid.

The Entity had formal written contracts which supported services arrangements and the amount paid.

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- b) Compared each contract's detail to the Louisiana Public Bid Law or Procurement Code. Reported 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.

N/A

- c) Reported 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.

N/A

- d) Selected 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.

My testing did not disclose any discrepancies.

- e) Obtained/reviewed 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).

My testing did not disclose any discrepancies.

Payroll and Personnel

22. I obtained a listing of employees (and elected officials, if applicable) with their related salaries, and obtained management's representation that the listing is complete. Randomly selected five employees/officials, obtain their personnel files, and:

- a) I reviewed compensation paid to each employee during the fiscal period and determined whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

My testing did not disclose any discrepancies.

- b) I reviewed changes made to hourly pay rates/salaries during the fiscal period and determined whether those changes were approved in writing and in accordance with written policy.

All hourly and salary pay changes were approved at the appropriate level of management.

23. I obtained 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 (or randomly select one-third of employees if the entity had less than 25 employees during the fiscal period), and:

- a) I determined 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.

My testing did not disclose any discrepancies.

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- b) I determined whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

All attendance and leave request of the selected employees/officials was approved by the appropriate level of management.

- c) I determined 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.

The Entity does maintain written leave records.

24. I obtained from management a list of employees/officials that were 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. I determined whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

The results of my test disclosed no discrepancies.

25. I obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. I determined 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.

The Entity's payroll tax forms were filed timely.

Ethics (excluding nonprofits)

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

N/A

27. Inquired 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. Determined whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

N/A

Debt Service (excluding nonprofits)

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

N/A

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.

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N/A

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.

N/A

Other

31. Inquired of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

None

32. Observed and reported 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.lla.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

My testing did not disclose any discrepancies.

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

None

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.



Rosie D. Harper
Certified Public Accountant

Monroe, Louisiana
December 22, 2017