

EAST CARROLL COMMUNITY ACTION AGENCY, INC.

LAKE PROVIDENCE, LOUISIANA

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FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2019

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EAST CARROLL COMMUNITY ACTION AGENCY, INC.  
DECEMBER 31, 2019

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## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board  
East Carroll Community Action Agency, Inc.  
Lake Providence, Louisiana

We have reviewed the accompanying financial statements of East Carroll Community Action Agency, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **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.

### **Accountants' Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

### Supplementary Information

The supplementary information included in Schedule I is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated June 16, 2020, on the results of our agreed-upon procedures.

*Johnson, Perry, Roussel & Cuthbert, L.L.P.*

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS  
June 16, 2020

EAST CARROLL COMMUNITY ACTION AGENCY, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2019

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	14,758
Accounts Receivable - Ad Valorem Tax	79,107
Accounts Receivable - LIHEAP	6,811
Accounts Receivable - Miscellaneous	<u>272</u>

TOTAL CURRENT ASSETS 100,948

FIXED ASSETS

Furniture and Fixtures	2,702
Building Improvements	8,413
Less: Accumulated Depreciation	<u>( 11,115)</u>

NET FIXED ASSETS -0-

TOTAL ASSETS 100,948

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable and Accrued Expenses	<u>823</u>
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TOTAL CURRENT LIABILITIES 823

NET ASSETS

Without Donor Restrictions	<u>100,125</u>
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TOTAL NET ASSETS 100,125

TOTAL LIABILITES AND NET ASSETS 100,948

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

EAST CARROLL COMMUNITY ACTION AGENCY, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>WITHOUT DONOR RESTRICTIONS</u>
<u>REVENUES</u>	
Contributions/Grants	127,080
Contributions - In-Kind Donations	3,800
Ad Valorem Taxes	85,347
Miscellaneous	<u>3,109</u>
<u>TOTAL REVENUES</u>	<u>219,336</u>
<u>EXPENSES</u>	
Assistance to Individuals	164,778
Management	32,252
Fund-Raising	<u>-</u>
<u>TOTAL EXPENSES</u>	<u>197,030</u>
<u>INCREASE (DECREASE) IN NET ASSETS</u>	22,306
<u>NET ASSETS - BEGINNING OF YEAR</u>	<u>77,819</u>
<u>NET ASSETS - AT DECEMBER 31, 2019</u>	<u>100,125</u>

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

EAST CARROLL COMMUNITY ACTION AGENCY, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2019

CASH FLOWS (DEFICIT) FROM OPERATING ACTIVITIES:

CASH RECEIPTS

Donations/Grants	120,269
Ad Valorem Taxes	79,212
Miscellaneous Income	<u>2,877</u>

<u>TOTAL RECEIPTS</u>	202,358
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EXPENDITURES

Personnel	104,324
Travel	6,591
Professional Fees	3,750
Supplies	10,811
Assistance to Individuals	50,767
Other - Operating Expenses	<u>16,885</u>

<u>TOTAL EXPENDITURES</u>	<u>193,128</u>
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NET CASH FLOWS (DEFICIT) FROM OPERATING ACTIVITIES

9,230

CASH FLOWS (DEFICIT) FROM INVESTING ACTIVITIES:

None	<u>-0-</u>
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CASH FLOWS (DEFICIT) FROM FINANCING ACTIVITIES:

Loan Payments	<u>-0-</u>
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<u>NET INCREASE (DECREASE) IN CASH</u>	9,230
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<u>CASH - JANUARY 1, 2019</u>	<u>5,528</u>
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<u>CASH - DECEMBER 31, 2019</u>	<u>14,758</u>
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Cash paid for income taxes and interest during the year was \$-0-.

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

EAST CARROLL COMMUNITY ACTION AGENCY, INC.  
 STATEMENT OF FUNCTIONAL EXPENSES  
 FOR THE YEAR ENDED DECEMBER 31, 2019

<u>EXPENSE</u>	<u>ASSISTANCE TO INDIVIDUALS</u>	<u>MANAGEMENT</u>	<u>FUND- RAISING</u>	<u>TOTAL</u>
Personnel	83,541	20,885	-	104,426
Travel	5,273	1,318	-	6,591
Occupancy	3,040	760	-	3,800
Professional Fees	-	3,750	-	3,750
Supplies	8,649	2,162	-	10,811
Depreciation	-	-	-	-0-
Assistance to Individuals	50,767	-	-	50,767
Other	13,508	3,377	-	16,885
Election Costs	-	-	-	-0-
 <u>TOTALS</u>	 <u>164,778</u>	 <u>32,252</u>	 <u>-0-</u>	 <u>197,030</u>

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



EAST CARROLL COMMUNITY ACTION AGENCY, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities

The East Carroll Community Action Agency, Inc. was created under the Economic Opportunity Act of 1964, as amended, to serve as the antipoverty agency, providing human services for the indigent and disadvantaged through research, planning, development, financing, implementation and evaluation of programs, either directly or through coordinating with other agencies, to attain social and economic independence for the benefit of all present and future generations of disadvantaged people in the parish. The East Carroll Community Action Agency, Inc. is managed by eighteen advisory board members.

The East Carroll Community Action Agency, Inc. receives substantially all of its revenue from various Federal and State grant programs, which are subject to final review and approval as to allowability of expenditures by the respective grantor agencies. The Agency administers the following programs, shown with their approximate percentage of revenues for the year ended December 31, 2019:

**Community Services Block Grant (CSBG Fund)** - Administers various programs to fulfill responsibilities and provide assistance to the poor, disadvantaged and unemployed through housing services, community projects, nutrition services, emergency assistance, employment services, transportation services, and other services. Funding is provided by federal funds passed through the State of Louisiana, Louisiana Workforce Commission. This grant is accounted for as a contribution and is considered conditional based on the terms of the grant agreement.

**Home Energy Assistance Program (LI-HEAP Fund)** - Provides assistance to low income households to offset the burden of high energy costs. Funding is provided by federal funds passed through the Louisiana Housing Corporation. This grant is accounted for as a contribution and is considered conditional based on the terms of the grant agreement.

EAST CARROLL COMMUNITY ACTION AGENCY, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Nature of Activities (Continued)

**Emergency Food and Shelter Fund** - Provides funding to purchase food and shelter for people in emergency situations. Funding is provided by federal funds from the U.S. Department of Homeland Security. This grant is accounted for as a contribution and is considered conditional based on the terms of the grant agreement.

**General Fund** - Used for all funds that are not required to be reported in another fund. This is usually local contributions, administrative funds, etc.

Starting in 2014, the Agency received the proceeds of a two mill ad valorem tax approved by the voters of East Carroll Parish and the East Carroll Police Jury. The tax was for three years (2014, 2015 and 2016). The tax was renewed for another three years in 2017.

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Parish government in early fall and are actually billed to the taxpayers by the Assessor in October or November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year.

The taxes are based on assessed values determined by the Tax Assessor of East Carroll Parish and are collected by the Parish Sheriff. The taxes are remitted to the Agency net of any deductions required by law.

That portion of the ad valorem taxes dedicated to the East Carroll Community Action Agency, Inc. was assessed to property owners in the parish at 1.94 mills for 2019.

Reporting Entity

The Agency is fiscally dependent on the East Carroll Parish Police Jury. The police jury owns, maintains and operates the building in which the Agency's office is located and provides funds for utilities and repairs of the Agency's

EAST CARROLL COMMUNITY ACTION AGENCY, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Reporting Entity (Continued)

office. In addition, the police jury's basic financial statements would be incomplete or misleading without the inclusion of the East Carroll Community Action Agency, Inc. For these reasons, the Agency was determined to be a component of the East Carroll Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the East Carroll Community Action Agency, Inc. and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Method of Accounting

The accompanying financial statements have been prepared on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The financial statements have been prepared in accordance with U.S generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Agency. These net assets may be used at the discretion of the Agency and the board of directors.

Net Assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Agency or by the passage of

EAST CARROLL COMMUNITY ACTION AGENCY, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Basis of Presentation (Continued)

time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Cash Equivalents

Cash Equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase. All cash and equivalents were fully insured by the FDIC.

Support and Revenue

Support for the Agency comes primarily from grants and donations. The accounting and reporting of grants is determined by the underlying substance of the transaction. A grant may be accounted for as contribution, an exchange transaction, or a combination of the two. If it is determined to be a contribution, a grant may be considered a conditional or an unconditional grant.

Contributions

Contributions received are recorded as support without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. Contractual grant revenue is reported as support without donor restrictions due to the restrictions placed on those funds by the funding sources being met in the same reporting period as the revenue is earned. Revenues are earned when the service is rendered.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the

EAST CARROLL COMMUNITY ACTION AGENCY, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Contributions (Continued)

support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Fixed Assets

The Agency follows the practice of capitalizing, at cost, all expenditures for fixed assets in excess of \$2,500. Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows:

Furniture and Equipment	5 to 15 Years
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The net fixed assets balance has been recorded as a separate component in unrestricted net assets.

Functional Allocation of Expenses

The costs of providing the various programs and other 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. Fund-raising expenses are not material.

Estimates

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

EAST CARROLL COMMUNITY ACTION AGENCY, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Accrued Leave Policy

The Agency does not record accrued leave due to employees as the amount is not material.

Income Taxes

The Agency is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. In addition, the Agency has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for the year ended December 31, 2019.

Reserve for Bad Debts

The Agency uses the reserve method to record bad debts. At December 31, 2019, the reserve balance was \$-0-. Management reviews accounts receivable monthly for bad debts and believes no reserve is needed.

New Accounting Pronouncement

As of January 1, 2019, the Agency adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. Results for reporting the year ending December 31, 2019 are presented under FASB ASC Topic 606. The ASU has been applied retrospectively to all periods presented, with no effect on net assets or previously issued financial statements.

For the year ended December 31, 2019, the Agency adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, issued by the FASB. The ASU provides clarified guidance on evaluating

EAST CARROLL COMMUNITY ACTION AGENCY, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

New Accounting Pronouncement (Continued)

whether grant funds should be accounted for as a contribution or an exchange transaction based on whether the grantor is receiving value in return for the resources transferred to the grantee. Grant funds are considered contributions if the grantor does not receive commensurate value in exchange for the assets transferred. ASU 2018-08 also provides guidance to determine whether grants funds that are accounted for as contributions are considered conditional or unconditional. Grant funds are considered conditional if the grantee must overcome one or more barriers before it is entitled to the funds and a right of return to the grantor exists for funds transferred. For conditional grants, revenue is recognized in the period the condition or conditions are met. Adoption of ASU-2018-08, which was effective for the Agency on January 1, 2019, did not have an impact on the Agency's financial statements.

In 2019, the Agency adopted the provisions of FASB ASU 2016-18, *Statement of Cash Flows* (Topic 230). This ASU requires that a statement of cash flows explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the consolidated statement of cash flows. The amendments in the ASU do not provide a definition of restricted cash or restricted cash equivalents. The Agency has applied the provisions of ASU 2016-18 to retrospectively to all periods presented with no effect on net assets or previously issued financial statements.

EAST CARROLL COMMUNITY ACTION AGENCY, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 2: DONATED SERVICES:

The Agency receives a significant amount of donated services from unpaid volunteers. No amounts have been recognized in the statement of activities because the criteria for recognition under professional accounting standards have not been satisfied.

NOTE 3: IN-KIND CONTRIBUTIONS:

Non-cash contributions required to be recorded, as they meet the criteria for recognition as contributions, are as follows:

Occupancy Costs	<u>3,800</u>
<u>TOTAL</u>	<u>3,800</u>

Donated facilities are recognized as contributions in accordance with professional standards (FASB ASC 958-605-52-24) as the organization receives free use of its facilities. No other in-kind donations meet the requirements to be recognized as revenue under professional standards.

NOTE 4: COMMITMENTS AND CONTINGENCIES:

Contingent Liabilities - Grant Audit

The Agency receives revenues from various Federal and State grant programs, which are subject to final review and approval as to allowability of expenditures by the respective grantor agencies. Any settlements or expenses arising out of a final review are recognized in the period in which agreed upon by the Agency. Also, it is management's opinion that any audits by the grantor agencies would not produce disallowed program costs and liabilities to such an extent that they would materially affect the East Carroll Community Action Agency, Inc.'s financial position.

NOTE 5: ECONOMIC DEPENDENCY:

The Agency receives the majority of its revenue from funds provided through grants administered by the Federal and State of Louisiana governments. The grant amounts are



EAST CARROLL COMMUNITY ACTION AGENCY, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 5: ECONOMIC DEPENDENCY: (Continued)

appropriated each year and, if significant budget cuts are made at the Federal and/or State level, the amount of funds the Agency receives could be reduced significantly and have an adverse impact on its operations.

NOTE 6: ADVERTISING:

Advertising and promotion costs are expensed in the year incurred. Amounts incurred in the fiscal year ended December 31, 2019 are not material.

NOTE 7: SUBSEQUENT EVENTS:

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the Agency, its performance, and its financial results.

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Agency through June 16, 2020, the date the report was available for issue, and concluded that no additional subsequent events have occurred that would require recognition in the financial statements or disclosures in the notes to the financial statements.

EAST CARROLL COMMUNITY ACTION AGENCY, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2019

NOTE 8: UNCERTAIN TAX POSITIONS:

The Agency is subject to examination by various taxing authorities. Management has reviewed the Agency's activities and believes that no additional amounts or disclosures are needed, as the effect of any uncertain tax positions is not material to the financial statements. The tax returns for the years 2019, 2018, 2017, and 2016 are open for examination by various taxing authorities.

NOTE 9: RETIREMENT:

All part-time employees of the Agency were covered under the Social Security system. All full-time employees of the Agency are participants of the retirement plan maintained by the East Carroll Police Jury. The Agency contributed approximately \$7,876 to the retirement plan in 2019.

NOTE 10: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The following reflects the Agency's financial assets as of the balance sheet date of December 31, 2019, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Financial Assets at December 31, 2019	100,948
Less those unavailable for general expenditure within one year, due to:	
Donor-Restricted	<u>          -</u>
Financial assets availability to meet cash needs for general expenditure, within one year	<u>100,948</u>

In addition to financial assets available to meet general expenditures over the year, the Agency anticipates covering its general expenditures using income generated from contractual agreements with governmental agencies.

EAST CARROLL COMMUNITY ACTION AGENCY, INC.  
 SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO  
 AGENCY HEAD OR CHIEF EXECUTIVE OFFICER  
 FOR THE YEAR ENDED DECEMBER 31, 2019

AGENCY HEAD NAME/TITLE: MS. ROSE BROWN, EXECUTIVE DIRECTOR

<u>Purpose</u>	<u>Amount</u>
Salary	40,091
Benefits-insurance	3,085
Benefits-retirement	2,473
Benefits- Medicare	617
Benefits-other (describe)	-0-
Benefits-other (describe)	-0-
Car allowance	-0-
Vehicle provided by government (enter amount reported on W-2)	-0-
Per diem	-0-
Reimbursements	92
Travel	-0-
Registration Fees	590
Conference travel	1,319
Housing	-0-
Unvouchered expenses (example: travel advances, etc.)	-0-
Special meals	-0-
Other	-0-

# JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To East Carroll Community Action Agency, Inc.

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of East Carroll Community Action Agency, Inc., the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about East Carroll Community Action Agency, Inc.'s compliance with certain laws and regulations during the year ended December 31, 2019, included in the accompanying Louisiana Attestation Questionnaire. Management of East Carroll Community Action Agency, Inc. is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### Federal, State, and Local Awards

1. Determine the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

East Carroll Community Action Agency, Inc.'s federal and state awards for all federal programs for the fiscal year follows:

<u>Federal, State, or Local Grant Name</u>	<u>Period</u>	<u>CFDA No.</u>	<u>Expended Amount</u>
Community Services Block Grant	10-01-18 to 9-30-20	93.569	32,857
Low Income Home Energy Assistance	10-01-18 to 9-30-20	93.568	14,559
Emergency Food and Shelter	10-01-18 to 3-31-20	97.024	212
Emergency Food and Shelter	10-01-18 to 3-31-20	97.024	1,990
Community Services Block Grant	10-1-17 to 9-30-19	93.569	26,970
Emergency Food and Shelter	2-01-18 to 5-31-19	97.024	28,969
Emergency Food and Shelter	2-01-18 to 1-31-19	97.024	8,596
<u>Total Expenditures</u>			<u>114,153</u>

2. For each federal, state, and local award, randomly select six disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.

We selected eighteen (18) disbursements for testing.

3. For the items selected in Procedure 2, trace the eighteen disbursements to supporting documentation as to proper amount and payee.

We examined supporting documentation for each of the eighteen selected disbursements and found that payment was for the proper amount and made to the correct payee on all eighteen of the disbursements.

4. For the items selected in Procedure 2, determine if the eighteen disbursements are properly coded to the correct fund and general ledger account.

All eighteen disbursements were properly coded to the correct fund and general ledger account.

5. For the items selected in Procedure 2, determine whether the eighteen disbursements received approval from proper authorities.

Inspection of documentation supporting on eighteen of the eighteen selected disbursements indicated proper approvals on all the expenditures.

6. For the items selected in Procedure 2: For federal awards, determine whether the disbursements complied with the applicable specific program compliance requirements summarized in the Compliance Supplement, or contained in the grant agreement, if the program is not included in the Compliance Supplement, and for state and local awards, determine whether the disbursements comply with the grant agreement, relating to:

Activities allowed or unallowed .

We reviewed the previously listed eighteen disbursements for types of services allowed or not allowed. All eighteen disbursements appear to be allowable under terms of the grant or contract and the compliance supplement.

#### Eligibility

We reviewed the previously listed eighteen disbursements for eligibility requirements. All eighteen disbursements meet the eligibility requirements of each grant and contract.

#### Reporting

We reviewed the previously listed eighteen disbursements for reporting requirements. All eighteen disbursements were properly reported under terms of the grant and contract.

7. For the programs selected for testing in Procedure 2 that had been closed out during the period under review, compare the close-out report, when required, with the agency's financial records to determine whether the amounts agree.

We compared the close-out report for one closed out program with the Agency's financial records. The amounts reported on the close-out report agreed to the Agency's financial records.

#### *Open Meetings*

8. Examine evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law).

East Carroll Community Action Agency, Inc. is only required to post a notice of each meeting and the accompanying agenda on the door of the East Carroll Community Action Agency, Inc. office building and/or place a notice in the newspaper of record. Four of the four 2019 board meeting notices were posted at the Agency's office. However, the required agendas were not attached with the meeting notices.

*Budget*

9. For all grants exceeding five thousand dollars, determine that each applicable federal, state, or local grantor agency/agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

East Carroll Community Action Agency, Inc. provided comprehensive budgets to the applicable state grantor agencies for the Community Service Block Grant program mentioned previously. This budget specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance. The Agency did not submit budgets to the applicable state grantor agency for the LIHEAP and Emergency Food and Shelter grants.

10. Verify whether the Agency's prior year audit or financial reports were timely filed in accordance with R.S. 24:513.

We reviewed the filing timeliness of the prior year report filings and they were timely filed according to R.S. 24:513.

11. Inquire of management and report whether the Agency entered into any contracts with state funds as per R.S. 39:72.1 A(2) that were subject to public bid laws while the Agency was not in compliance with state audit law R.S. 24:513.

The Agency was in compliance with the state audit law.

*Prior Comments and Recommendations*

12. Review any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

We noted in the report for the year ended December 31, 2018 that one of the four board of directors meetings did not have evidence of compliance with open meetings law. During the year ended December 31, 2019, we noted four of the four board of directors meetings did not have evidence of compliance with the open meetings law requirement to attach an agenda with the written public notice of meeting. This item is uncleared.

We also noted in the report for the year ended December 31, 2018 that one of eighteen disbursements selected for testing was missing supporting documentation. As a result, we were unable to complete procedures 3 - 6 mentioned previously for the missing disbursement. This item is cleared.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of East Carroll Community Action Agency, Inc., the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Johnson Perry Roussel & Cuthbert, P.C.*

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS  
June 16, 2020



**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Governmental Agencies)**

6/24/20 (Date Transmitted)

Johnson, Peirce, Roussel, & Cuthbert, LLP (CPA Firm Name)

3357 Almond St. (CPA Firm Address)

Monroe, LA 71201 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of 12/31/19 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

**Public Bid Law**

It is true that we have complied with the public bid law, R.S. Title 38:2211-2206, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [] No [ ]

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes [] No [ ]

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes [] No [ ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [] No [ ]

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [] No [ ]

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [] No [ ]

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [] No [ ]

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes [  ] No [ ]

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 [ ]

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.  
Yes [  ] No [  ]

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [  ] No [  ]

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [  ] No [  ]

**Prior-Year Comments**

We have resolved all prior-year recommendations and/or comments.

Yes [  ] No [  ]

**General**

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [  ] No [  ]

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [  ] No [  ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes [  ] No [  ]

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes [  ] No [  ]

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants 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 your report.

Yes [  ] No [  ]

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes [  ] No [  ]

The previous responses have been made to the best of our belief and knowledge.

Pearlman Henderson Secretary 6/24/2020 Date  
Jacki Jalk Treasurer \_\_\_\_\_ Date  
Jacki Jalk President 6-23-2020 Date