

**AMIkids Caddo, Inc.**

**FINANCIAL STATEMENTS**

June 30, 2017



**CRI** CARR  
RIGGS &  
INGRAM

CPAs and Advisors

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**AMIkids Caddo, Inc.**  
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## **INDEPENDENT AUDITORS' REPORT**

The Board of Trustees  
AMIkids Caddo, Inc.

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

We have audited the accompanying financial statements of AMIkids Caddo, Inc. (the "School"), which is comprised of the statements 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our 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 we 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AMIkids Caddo, 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.

## Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the 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 our 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*, we have also issued our report dated October 4, 2017, on our consideration of AMIkids Caddo, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 AMIkids Caddo, Inc.'s internal control over financial reporting and compliance.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, LLC

October 4, 2017

**AMlkids Caddo, Inc.**  
**Statement of Financial Position**  
**June 30, 2017**

<i>June 30,</i>	<b>2017</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 19,713
Accounts receivable:	
Other	1,968
Due from AMlkids and affiliated institutes	249
Prepaid expenses	50,061
Property and equipment, net	10,029
Total assets	\$ 82,020
 <b>Liabilities</b>	
Accounts payable	\$ 9,785
Accrued expenses	35,095
Due to AMlkids and affiliated institutes	336,382
Notes payable	10,347
Total liabilities	391,609
 <b>Net assets (deficit)</b>	
Unrestricted	(309,589)
Total net assets (deficit)	(309,589)
Total liabilities and net assets (deficit)	\$ 82,020

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

**AMIkids Caddo, Inc.**  
**Statement of Activities**  
**June 30, 2017**

<i>For the year ended June 30, 2017</i>	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>Public Support and revenue:</b>			
Public support:			
Local and other	\$1,343,404	\$ -	\$1,343,404
Grants and contributions	2,581	1,500	4,081
Total public support	1,345,985	1,500	1,347,485
Revenue:			
Other	124	-	124
Total revenue	124	-	124
Net assets released from restrictions	1,500	(1,500)	-
Total public support and revenue	1,347,609	-	1,347,609
<b>Expenses:</b>			
Program services	1,481,156	-	1,481,156
Management and general	176,042	-	176,042
Total expenses	1,657,198	-	1,657,198
<b>Change in net assets</b>	<b>(309,589)</b>	<b>-</b>	<b>(309,589)</b>
Net assets (deficit), beginning of year	-		-
Net assets (deficit), end of year	\$ (309,589)	\$ -	\$ (309,589)

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

**AMIkids Caddo, Inc.**  
**Statement of Functional Expenses**  
**June 30, 2017**

	<b>Program Services</b>	<b>Management and General</b>	<b>Totals 2017</b>
Salaries	\$ 878,558	\$ -	\$ 878,558
Employee benefits and payroll taxes	158,307	-	158,307
Travel	186,068	-	186,068
Conferences and training	34,222	-	34,222
Books and publications	-	4,230	4,230
Rent and utilities	16,054	223	16,277
Insurance	43,566	-	43,566
Telephone	9,254	-	9,254
Professional fees	-	6,223	6,223
Postage	2,583	-	2,583
Student supplies and training	22,605	-	22,605
Community development	2,701	161	2,862
Equipment and maintenance	124,152	3,996	128,148
Interest	753	-	753
Depreciation and amortization	2,006	-	2,006
Management fee and other expenses	327	161,209	161,536
<b>Total expense</b>	<b>\$ 1,481,156</b>	<b>\$ 176,042</b>	<b>\$ 1,657,198</b>

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

**AMIkids Caddo, Inc.**  
**Statement of Cash Flows**  
**June 30, 2017**

	<b>2017</b>
<b>Cash flows from operating activities:</b>	
Change in net assets	\$ (309,589)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	2,006
(Increase) decrease in:	
Accounts receivable	(1,968)
Prepaid expenses and other	(50,061)
Due from AMIkids and affiliated institutes	(249)
Increase (decrease) in:	
Accounts payable	9,785
Accrued expenses	35,095
Due to AMIkids and affiliated institutes	71,371
Net cash and cash equivalents used in operating activities	(243,610)
 <b>Cash flows from financing activities:</b>	
Proceeds from new borrowings from affiliates	515,011
Payments on affiliate notes payable	(250,000)
Payments on third party notes payable	(1,688)
Net cash and cash equivalents provided by financing activities	263,323
Net increase in cash and cash equivalents	19,713
Cash and cash equivalents at beginning of year	-
Cash and cash equivalents at end of year	\$ 19,713
 <b>Cash paid for interest</b>	<b>\$ 753</b>
<b>Supplemental disclosure of noncash investing and operating activities:</b>	
Financed or other noncash acquisitions of property and equipment	\$ 12,035

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

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Organization***

AMIkids Caddo, Inc. (the "School"), a Louisiana not-for-profit corporation, was formed exclusively for educational purposes. The School has entered into a Type 1 charter school contract with Caddo Parish School Board (CPSB) to operate the School in Caddo Parish, Louisiana. The School serves sixth to eighth graders and expelled students from Caddo Parish Public Schools and provides education, treatment, and behavior modification as components of the AMIkids Personal Growth Model®. These services are performed by the School, which is one of over forty affiliated, but independently governed member schools located in Florida, Georgia, Louisiana, Missouri, New Mexico, North Carolina, South Carolina, Texas and Virginia. The School's educational component is accredited by AdvancED®, a global accrediting agency dedicated to advancing excellence in schools, universities, and educational agencies. AMIkids, Inc. ("AMIkids") is located in Florida and executes the contracts, collects funds, coordinates the operations and manages the record keeping of these member Schools and schools through a subcontract agreement between AMIkids and the School. The School's operating funds were primarily generated from state contracts and federal and local funds. Continued operation of the School's foster care program is dependent on continued funding from local agencies as well as financial and other support from AMIkids.

The School is an independent non-profit entity, separate and distinct from the Caddo Parish School Board, the primary government and reporting entity. However, the School is a component unit of CPSB and the School's financial statements are included in the CPSB's basic financial statements as a component unit.

***Use of Estimates***

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from such estimates and such differences could be material.

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

***Basis of Presentation***

The accompanying financial statements are presented on the accrual basis of accounting. Assets are presented in the accompanying statement of financial position according to their nearness of conversion to cash, and liabilities according to the nearness of their maturity and resulting use of cash.

Unrestricted net assets consist of amounts that are available for use in carrying out the activities of the School. Temporarily restricted net assets represent those amounts, which are not available until future periods or are donor restricted for specific purposes.

***Cash and Cash Equivalents***

Cash and cash equivalents represent cash and short-term, highly liquid investments with original maturities of three months or less.

Cash is maintained in bank deposit accounts, which at times may exceed federally insured limits. The School believes it is not exposed to any significant credit risk in these accounts.

***Accounts Receivable***

Accounts receivable consists primarily of receivables from federal agencies and county school boards. The School reviews outstanding receivables for collectability based on historical payment history from the payer and any known circumstances casting doubt over the collectability of accounts and reserves for amounts considered to be uncollectible. The Institute considers its accounts receivable to be fully collectible and therefore, has not recorded an allowance for doubtful accounts. Amounts becoming uncollectible will be charged against the allowance for doubtful accounts when that determination is made.

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

***Property and Equipment***

Property and equipment are stated at cost, if purchased or at estimated fair value at date of receipt if donated. Property and equipment transferred to the School by a funding agency are stated at estimated fair value at date of transfer. Property transferred or acquired with grant funds may revert to the funding agency should the School no longer provide the rehabilitation services required by the contract. At the time property is retired, or otherwise disposed of, the asset and related accumulated depreciation are removed from the accounts and any resulting gain or loss is included in earnings. Repairs and maintenance are expensed when incurred. Depreciation is calculated using the straight-line method over the following estimated useful lives of the assets:

Furniture, fixtures and equipment	3-5 years
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***Impairment of Long-Lived Assets***

The School reviews all long-lived assets, which consist primarily of property and equipment, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the discounted cash flows.

***Public Support and Revenue***

Public support is primarily from the School's contract with the Caddo Parish School System. Other public support represents amounts received from federal and local sources.

A significant portion of AMIkids's and the School's grants and contracts are exchange transactions in which each party receives and sacrifices commensurate value. Funds from these exchange transactions are not considered contributions and, as such, are deemed to be earned and reported as revenue when such funds have been expended towards the designated purpose. Funds from exchange transactions received in advance of revenue recognition are recorded as deferred revenue.

Contributions received and unconditional promises to give are measured at their fair values and are reported as increases in net assets. The School reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

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

***Donated Services***

Amounts are reported in the financial statements for voluntary donations of services when those services create or enhance non-financial assets or require specialized skills provided by the individuals possessing those skills and would be typically purchased if not provided by donation. For the year ended June 30, 2017, donated services were not material to the financial statements.

***Functional Allocation of Expenses***

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the program and supporting services benefited. Other expenses are allocated based on management's estimate of the benefit derived by each activity.

***Income Taxes***

AMIkids Caddo, Inc. is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code.

The School identifies and evaluates uncertain tax positions, if any, and recognizes the impact of uncertain tax positions for which there is a less than more-likely-than-not probability of the position being upheld when reviewed by the relevant taxing authority. Such positions are deemed to be unrecognized tax benefits and a corresponding liability is established on the statement of financial position. The School has not recognized a liability for uncertain tax positions. If there were an unrecognized tax benefit, the School would recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. The School's tax years subject to examination by the Internal Revenue Service generally remain open for three years from the date of filing.

***Subsequent Events***

Subsequent events have been evaluated through October 4, 2017, which is the date the financial statements were available to be issued.

**AMIkids Caddo, Inc.**  
**Notes to Financial Statements**

**NOTE 2: PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2017 consists of:

	<b>2017</b>
Furniture, fixtures and equipment	\$ 12,035
Less accumulated depreciation	(2,006)
	\$ 10,029

**NOTE 3: RESTRICTED NET ASSETS**

Net assets were released from donor restrictions during 2017 by occurrence of events specified by donors as follows:

	<b>2017</b>
Other	\$ 1,500
	\$ 1,500

**NOTE 4: NOTES PAYABLE**

Notes payable at June 30, 2017 consist of:

	<b>2017</b>
Note payables in monthly installments of \$120 including interest at 8% , due Jan. 2021	\$ 5,070
Note payables in monthly installments of \$124 including interest at 8% , due Jan. 2021	5,277
	\$ 10,347

Annual maturities of notes payable are as follows:

<b>Year ended June 30,</b>	<b>Total</b>
2018	\$ 2,179
2019	2,361
2020	2,556
2021	2,767
2022	484
	\$ 10,347

**NOTE 5: RELATED PARTY TRANSACTIONS**

As stated in Note 1, AMIkids executes the contracts, collects funds, coordinates the operations and manages the record keeping of the School and remits these funds to the School on a monthly basis in accordance with the subcontract agreement.

Due from AMIkids and affiliated Schools at June 30, 2017 consists of:

	<b>2017</b>
Affiliate trade receivables	\$ 249

The School periodically enters into transactions with AMIkids and affiliated Schools for intercompany billings of common costs and services received or rendered. The School may also enter into other financing transactions with AMIkids. Except as noted below, these amounts are non-interest bearing and have no maturity date or collateral.

Due to AMIkids and affiliated Schools at June 30, 2017 consists of:

	<b>2017</b>
Affiliate trade payables	\$ 71,371
Note payable to AMIkids; no interest due until Jan 2018 interest charges accruing at 2.4% above SunTrust 30 day LIBOR (June 30 rate of 3.45%) per annum, unsecured	265,011

For providing these and other services, AMIkids was paid \$161,209 in fiscal 2017, which is recorded as management fees and other expense within management and general in the accompanying statement of functional expenses. Amounts to be paid are determined by AMIkids management.

**NOTE 6: PENSION PLAN**

AMIkids maintains a noncontributory defined contribution money purchase pension plan covering all full-time employees who have completed two years of service and have attained the age of 20 ½ years. Contributions to the Plan are based on a percentage of each employee's compensation for the year. The pension expense for the year ended June 30, 2017 totaled \$12,144.

**NOTE 7: CONTINGENCIES**

A substantial portion of AMIkids and the School's public support is derived from programs supported by various funding agencies. Under the terms of the agreements with these funding agencies, AMIkids and the School's financial records are subject to audit by the appropriate governmental authorities. Depending upon the results of these audits, if any, funds may be required to be refunded to the appropriate funding agency. In the opinion of AMIkids and the School's management, no public support funds will be required to be refunded. Accordingly, no provision for such contingency has been made in these financial statements.

The School is subject to various claims and legal proceedings, which arise in the ordinary course of business. The School does not believe that these matters will have a material adverse effect on its financial position or operating activities.

AMIkids Caddo, Inc. incurred a deficit of \$309,589 in the current fiscal year. Since this was the first year of operation this deficit was expected as it included onetime start-up costs and the school was not fully enrolled for the entire year. Management is actively engaged in a plan to eliminate the deficit through various actions, namely:

- Exploring the viability of converting to an alternative school.
- Expanding the operations to include grades 6-12 and retain a larger percentage of graduating 8th grade students.
- Increase the number of Board Members and thereby increase the fundraising capacity for the school.
- Review staffing patterns and spending on an ongoing basis.

**NOTE 8: SUBSEQUENT EVENTS**

The School has evaluated events and transactions occurring subsequent to June 30, 2017 as of October 4, 2017 which is the date the financial statements were issued. Subsequent events occurring after October 4, 2017 have not been evaluated by management. No material events have occurred since June 30, 2017 that requires recognition or disclosure in the financial statements.

**AMIkids Caddo, Inc.**  
**Schedule of Compensation, Benefits and Other Payments to Agency Head**  
**Or Chief Executive Officer**  
**Year ended June 30, 2017**

Agency Head Name: Tim Lennear  
Tara Taylor

<b>Purpose</b>	<b>June 30, 2017</b>	
Salary	\$	69,216
Benefits-Insurance		7,586
Benefits - other		5,292
Travel		1,736
Other		1,603
	\$	85,433

## **Independent Auditors' 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**

The Board of Trustees  
AMikids Caddo, Inc.

We 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 AMikids Caddo, Inc. (the "School"), a charter school and component unit of the District School Board of Caddo Parish, Louisiana, 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, and have issued our report thereon dated October 4, 2017.

### **Internal Control Over Financial Reporting**

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

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

Our 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 our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, LLC

Clearwater, Florida  
October 4, 2017

# *Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures*

*AMIkids Caddo –All procedures performed below were performed by AMIkids internal audit department. See below for procedures performed and results of procedures for each step listed.*

## *Introduction and General Comments*

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The Louisiana Legislative Auditor (LLA) has prescribed statewide agreed-upon procedures (AUPs) below, which are intended to represent a minimum level of additional work to be performed at those local entities (local governments and quasi-public organizations, including nonprofits) that meet the legal requirement to have an audit under the Audit Law. Those local entities that do not meet the legal requirement to have an audit under the Audit Law are exempt from performing these AUPs. State entities that are included in the Comprehensive Annual Financial Report of the State of Louisiana, or local entities subject to Act 774 of 2014 (St. Tammany Parish), are likewise exempt from the AUPs below. **These AUPs will be effective beginning with those entities that have a June 30, 2017, fiscal year end.**

The AUPs are to be performed under the AICPA attest standards, and the AUP report must be attached to the audit report that is submitted to the Legislative Auditor’s office (i.e. one Adobe pdf file submitted to the LLA rather than two). The AUPs are required to be performed by the same firm that performs the annual audit; accordingly, a separate “engagement approval form” for the statewide AUP engagement is not required.

The practitioner should consider these AUPs to be “complementary” rather than “additive” as they may duplicate existing audit procedures. For example, if the AUP below indicates that 25 random transactions should be selected and the practitioner would otherwise plan to test 40 random transactions as part of the entity’s audit, the practitioner may use 25 of the 40 transactions for both the audit and the AUP engagement. Also, the scope of the procedures applies to the primary reporting entity and is not required to be extended to discretely presented component units of the entity.

All exceptions are to be included in the AUP report with management’s responses/corrective actions. Management may either prepare a single overall response to the AUP report or may respond after each procedure.

If the entity employs one or more internal auditors; the practitioner documents reliance upon the internal audit function as part of the entity’s audit; and the internal auditor performs one or more of the specific procedures identified below (internal auditor is not required to perform procedures under the attest standards), the practitioner does not have to include those specific procedures as part of the scope of the AUP engagement or in the AUP report. In that situation, the practitioner should perform the remaining AUPs under the attest standards and document in the AUP report.

## ***Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures***

The practitioner must also include a copy of the internal auditor’s procedures performed and exceptions noted when submitting the audit report and AUP report to the LLA. In this situation, all three reports should be submitted to the LLA as one Adobe pdf file, and all three reports will be issued by the LLA as public documents.

Please note that the results of the AUPs do not change the practitioner’s separate responsibility to report significant deficiencies, material weaknesses, material noncompliance, etc., as part of the regular audit engagement. However, the practitioner should not include the AUP exceptions or internal auditor’s exceptions (or a reference to the exceptions) in the audit report’s schedule of findings, unless an AUP or internal audit exception rises to the level of a significant deficiency or material weakness and is included as a finding for purposes of the audit.

To avoid creating an undue burden on practitioners, the AUPs may be performed for a 12-month “fiscal period” that does not coincide with the entity’s “fiscal year”, as long as the 12-month fiscal period is no more than 3 months prior to the end of the entity’s fiscal year. For example, the practitioner may perform AUPs for the fiscal period April 1, 2016 through March 31, 2017 for an entity with a fiscal year ending June 30, 2017. All AUPs below will reference fiscal period to mean the 12-months covered by the AUPs.

For nonprofit entities, only those AUPs relevant to public monies (and only to the extent that the AUPs are applicable) are required to be included in the scope of the AUP engagement. For example, if a nonprofit receives \$10 million in non-public funds and also receives \$600,000 in public funds, only the \$600,000 would be subject to these AUPs if the funds are not otherwise commingled. In this example, if the nonprofit did not use the \$600,000 in public funds for payroll or travel expenses, the portions of the AUPs relating to these areas are not required to be included in the scope of the AUP engagement or report.

Additional instructions concerning engagement approvals, report submission protocols, and the availability of forms, examples, and tools related to these procedures will be communicated as they are finalized.

### ***Written Policies and Procedures***



Finance Manual  
11202014.doc

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1. Obtain the entity’s written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

## ***Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures***

- a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget

The budgeting process is executed by the Executive Director in concert with AMIkids Finance (Finance). The budget is then reviewed/approved by the Regional Director and the program's Board. Amendments to the budget can be initiated by the ED by AMIkids Finance and subsequently approved by the program's Board. See also Page vi of the Finance Manual.

- 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.

See attached AMIkids finance manual Chapter 6

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

See attached AMIkids finance manual Chapter 6

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

See Chapter 5 of the Finance Manual. Receipts are recorded by the Finance based upon receipt of a Daily Cash Receipts Log.

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

All BM's are trained on PR processing and completion of time cards. The training document resides on the AMIkids Intranet. BM's enter hours worked per employee/supervisor signed time cards to the PETS system. The PETS system captures all hours worked and computes overtime hours for each pay period. A summary of the payroll as well as a report of all hours worked, including PR exceptions is sent to the ED for approval and then is electronically delivered to Finance PR for system input and payment preparation. In addition, the HR manual covers policy matters that impact PR processing (including leave administration).

- 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

See attached AMIkids Finance manual chapter 12

- 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

See attached AMIkids finance manual pages 37-45, 62-63; 65-66

## *Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures*

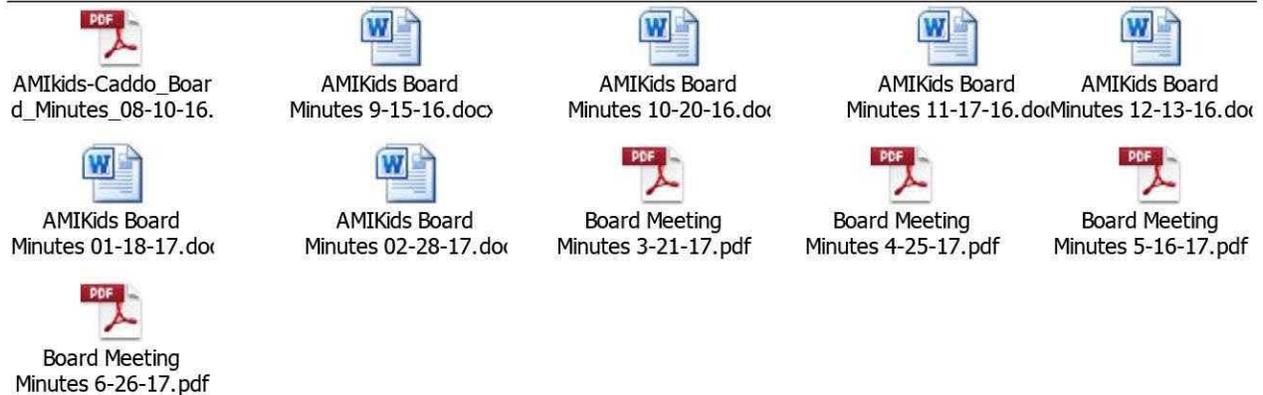
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

See attached AMIKids finance manual pages 45-52; 59-60

- 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
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements. No debt servicing at the program level

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

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### 2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document. **Board meetings with a quorum held monthly**
- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis). **Yes financial budget information referenced in board meeting minutes**
- 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. N/A
- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal

## *Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures*

period. Yes non-budgetary financial information referenced in board meeting minutes.

### ***Bank Reconciliations***

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3. Obtain a listing of client bank accounts from management and management’s representation that the listing is complete. One checking account ending in 2733
4. Using the listing provided by management, select all of the entity’s bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *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, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared; Yes
- 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

Bank statements are received in home office, reconciled by primary staff accountant for program and approved by a peer staff accountant. Neither have any involvement in transactions associated with the bank account.

- 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.

Checks issued to vendors that do clear after one year are reversed by AMIkids Finance. All other reconciling items are addressed with the program business manager and resolved.

### ***Collections***

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5. Obtain a listing of cash/check/money order (cash) collection locations and management’s representation that the listing is complete.

Collection locations: AMIkids Caddo

Using the listing provided by management, select all of the entity’s cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *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:**

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- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

(1) AMIkids Home Office carries Fiduciary and Crime Liability coverage for the program. In addition all employees must pass a criminal background screening prior to employment and again every 5 years thereafter.

(2) Cash collection (checks) can be received by both the program Business Manager and Executive Director.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

Staff accountants perform bank reconciliations and reconcile cash collected at program to general ledger. Staff accountants are not responsible for cash collection at location.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

There is no requirement that programs maintain time-stamped envelopes as cash/checks are received by the program. Reference AMIkids Finance Manual Chapter 5 attached above. All deposits are required to be made the next business day after receipt.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Daily Cash Receipt logs are completed and sent to the staff accountant for the program. Copies of checks deposited and deposit receipts are sent with these logs.

6. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to

## ***Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures***

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.

Staff accountants perform bank reconciliations and reconcile cash collected at program to general ledger. Staff accountants are not responsible for cash collection at location.

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

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caddo disbursements

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Complete disbursement list from general ledger attached above. Total disbursements from 7/1/16-6/30/17 \$113,191.40

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:



Caddo  
Disbursements Testin

39 total disbursements tested totaling \$82,263.23 for 72.6% of total disbursements from 7/1/16-6/30/17.

- 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.

Per the Finance Manual Purchase Orders (PO's) are to be prepared and approved by the ED for all purchases over \$1,000 and further supported by three

## *Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures*

competitive bids for all non-routine/non-recurring expenditures. PO's are required to be two part forms with one part given to the vendor and one part retained by the program. PO copies are not submitted to Finance for payment processing. PO's are not required for routine/recurring purchases. IA does not test PO process as PO copies are not submitted and filed in the invoice files in the Finance Department. In addition, most all AP disbursements are routine or recurring in nature. IA does, however, ask to view bids for expenditures over \$1,000 as part of the test process.

The lack of purchase orders in the AP process is not considered a significant control deficiency given the nature of the program's expenses. However, all AP disbursements require ED approval. Non-routine, non-recurring AP disbursements over \$2,500 requires the additional approval of the RD and the Board of Directors.

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

See above response to a)

- 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.

Paper invoices are approved by management prior to payment.

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

The Business Managers add new vendors to the system which is considered to be an acceptable risk Finance as the AP Web system will identify on the Daily Report all new vendors added. Staff Accountants review all newly added vendors.

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

ED's have check signing authority and can initiate purchases. However, the BM is responsible for AP input and as outlined in #10, above, all invoices must be sent to Finance for review prior to release of the check run. All purchases initiated by the ED require RD approval.

- 12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank

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check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Check stock is maintained in a locked location. Executive Directors have access to check stock and do have signing authority. This is due to the need at times due to staffing situations the Executive Director may need to process accounts payable and issue disbursements. The staff accounts at home office have final approval of disbursements and generate the AP disbursement file to be used to print checks.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

N/A

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

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14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Program has no credit cards in use.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. N/A

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.] N/A
- b) Report whether finance charges and/or late fees were assessed on the selected statements.  
N/A

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

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- a) For each transaction, report whether the transaction is supported by:
- An original itemized receipt (i.e., identifies precisely what was purchased)
  - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
  - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

N/A

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

N/A

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

N/A

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

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17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

All travel and related expense reimbursements for all employees pulled from General Ledger and complete.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.

Refer to AMIkids finance manual above pages 45-52 for written policies regarding travel and expense reimbursement. The program does not have established per diem amounts in the policy and mileage is reimbursed at \$.445 per mile. However, travel must be reasonable relative to geographic location. A maximum of three meals per day are reimbursed. Expense reports are reviewed and approved by the ED and then by Finance for reasonableness of amounts and adequacy of

## *Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures*

documentation prior to processing for payment. ED expense reports are also reviewed and approved by the respective Regional Director.

AMIkids does not exceed per diem rates and mileage rates established by GSA. No hotel expenses on selected expense reports.

Per diem rates Shreveport LA \$91 Lodging and \$51 M&IE

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:



Gwendolyn Hamilton  
ER.pdf



Jamile Emile ER.pdf



Tim Lennear ER.pdf

Three persons incurring the most travel and expense cost during the last 12 month as obtained by general ledger are attached above.

Jamile Emile: \$4084.45 total expenses reimbursed 7/1/16-6/30/17

Timothy Lennear Jr.: \$2426.39 total expenses reimbursed 7/1/16-6/30/17

Gwendolyn Hamilton: \$1653.91 total expenses reimbursed 7/1/16-6/30/17

Jamile Emile: \$1468.01 Largest expense reimbursement check #1144 paid 6/16/17

Timothy Lennear: \$643.03 Largest expense reimbursement check #1095 paid 3/20/17

Gwendolyn Hamilton: \$958.78 Largest expense reimbursement check #1057 paid 12/14/16

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

Expenses reimbursed for all employees comply with and reimbursed in accordance with AMIkids written policy and procedures. See finance manual pages 45-52 for reference

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.] Yes

## *Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures*

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating). **Yes**
  - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance) **Yes**
- c) Compare the entity’s documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted

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

All expense reports reviewed have approval in writing by someone other than the person receiving reimbursement.

### *Contracts*

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

N/A No contracts exist

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

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

N/A No contracts exist

- b) Compare each contract’s detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

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- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

N/A No contracts exist

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

N/A No contracts exist

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

N/A No contracts exist

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

N/A No contracts exist

### *Payroll and Personnel*

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Caddo Payroll  
Testing.xlsx

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

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

Pay rates agree to offer letter

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

N/A No changes made to hourly/salaries in selected sample of employees

- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and: Pay Period Selected 10/26/16-11/10/16. 3 Employees on Paid Administrative Leave. Timecards below for all employees employed during the selected period.

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AMIKids-Caddo  
Timesheer Oct 26-No



C. Willis Timesheet  
for audit.pdf

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

AMIKids PR maintains records of accumulated PTO and is included in the PR system. In addition, the employee's pay stub also reflects the total Wellness Hours (PTO) accumulated for the year to date. Attached is a sample report for 10/26/16-11/10/16 of Accrued PTO for Caddo.



Paid time off accrual  
Report Caddo.pdf

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

Termination payments were made in accordance with policy and approved by management.



Highest Check  
Amounts Terminated



CADPR117.xlsx

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the

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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.

IA obtained the quarterly filings for federal and state income taxes and FICA for the program for the fiscal year. Amounts per the filings were traced to remittance documentation and to the PR system for each quarter. There were no exceptions noted. There were no retirement withholdings for the program.

### ***Ethics (excluding nonprofits)***

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26. Using the five randomly selected employees/officials from procedure #22 under “Payroll and Personnel” above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.
27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management’s actions complied with the entity’s ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

### ***Debt Service (excluding nonprofits)***

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28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.
29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.
30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

### ***Other***

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

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No known misappropriations of public funds or assets

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

IA did not look for the signage during its site visit. An e-mail has been sent to ED to confirm the signage is displayed at the program.

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

No exceptions noted