

**OFFICE OF NUTRITION ASSISTANCE, INC.
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
WITH SUPPLEMENTAL INFORMATION
AS OF AND FOR THE YEAR ENDED
SEPTEMBER 30, 2017**

Minda B. Raybourn

*Certified Public Accountant
Limited Liability Company*

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**OFFICE OF NUTRITION ASSISTANCE, INC.
 FINANCIAL STATEMENTS
 WITH SUPPLEMENTARY INFORMATION
 SEPTEMBER 30, 2017**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Office of Nutrition Assistance, Inc.
1001 NW Central Avenue
Amite, LA 70422

Report on the Financial Statements

I have audited the accompanying financial statements of Office of Nutrition Assistance, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on our audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Office of Nutrition Assistance, Inc., as of September 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

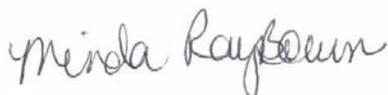
Other Matters

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. The information in the audited statement of claims and schedule of meals served and program reimbursements as required by the Louisiana Department of Education and the schedule of compensation, benefits, and other payments to the agency head is also presented for purposes for additional analysis and is not part of the required financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated May 1, 2018, on my consideration of Office of Nutrition Assistance, Inc.'s, internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of 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 Office of Nutrition Assistance, Inc.'s, internal control over financial reporting and compliance.



Minda Raybourn
Certified Public Accountant

Franklinton, LA

May 1, 2018

OFFICE OF NUTRITION ASSISTANCE, INC.
STATEMENT OF FINANCIAL POSITION
YEAR ENDED SEPTEMBER 30, 2017

ASSETS	<u>Administrative</u>	<u>General</u>	<u>Eliminations</u>	<u>Total</u>
Current Assets				
Cash and cash equivalents	\$ 1,277	\$ 599	\$ -	\$ 1,876
Due from Department of Education	104,589		-	104,589
Due from Administrative Fund		59,349	(59,349)	-
Total Current Assets/Total Assets	<u>105,866</u>	<u>59,948</u>	<u>(59,349)</u>	<u>106,465</u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable	2,830	-	-	2,830
Due to providers	104,589	-	-	104,589
Due to Department of Education	1,271	-	-	1,271
Withholding taxes payable	6,985	-	-	6,985
Accrued salaries payable	21,526	-	-	21,526
Line of credit-Whitney Bank	-	9,560	-	9,560
Due to General Fund	59,349	-	(59,349)	-
Total Current Liabilities/Total Liabilities	<u>196,550</u>	<u>9,560</u>	<u>(59,349)</u>	<u>146,762</u>
Net Assets (Deficit)				
Unrestricted	<u>(90,684)</u>	<u>50,388</u>	<u>-</u>	<u>(40,296)</u>
Total Net Assets (Deficit)	<u>(90,684)</u>	<u>50,388</u>	<u>-</u>	<u>(40,296)</u>
Total Liabilities and Net Assets (Deficit)	<u>\$ 105,866</u>	<u>\$ 59,948</u>	<u>\$ (59,349)</u>	<u>\$ 106,465</u>

See accompanying independent auditor's report and notes to the financial statements.

OFFICE OF NUTRITION ASSISTANCE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2017

UNRESTRICTED NET ASSETS	<u>Administrative</u>	<u>General</u>	<u>Total</u>
SUPPORT AND OTHER GAINS			
Administrative reimbursement	\$ 170,914	\$ -	\$ 170,914
Fundraising and other contributions	-	17,542	17,542
Total support and other gains	<u>170,914</u>	<u>17,542</u>	<u>188,456</u>
 NET ASSETS RELEASED FROM RESTRICTIONS			
Restrictions satisfied by payments	<u>623,725</u>	-	<u>623,725</u>
total support, other gains, and reclassifications	<u>794,639</u>	<u>17,542</u>	<u>812,181</u>
 EXPENSES			
Program services	626,837	-	626,837
Supporting services	<u>179,585</u>	<u>8,087</u>	<u>187,672</u>
Total expenses	<u>806,422</u>	<u>8,087</u>	<u>814,509</u>
 Increase (decrease) in unrestricted net assets	 <u>(11,783)</u>	 <u>9,455</u>	 <u>(2,328)</u>
 TEMPORARILY RESTRICTED NET ASSETS			
Support from meal reimbursements			-
Net assets released from restrictions:	626,837	-	626,837
Restrictions satisfied by payments	<u>(626,837)</u>	-	<u>(626,837)</u>
Increase in temporarily restricted net assets	<u>-</u>	<u>-</u>	<u>-</u>
 CHANGE IN NET ASSETS	 (11,783)	 9,455	 (2,328)
 NET ASSETS (DEFICIT), BEGINNING	 <u>(78,901)</u>	 <u>40,933</u>	 <u>(37,968)</u>
 NET ASSETS (DEFICIT), ENDING	 <u>\$ (90,684)</u>	 <u>\$ 50,388</u>	 <u>\$ (40,296)</u>

See accompanying independent auditor's report and notes to the financial statements.

OFFICE OF NUTRITION ASSISTANCE, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from administrative reimbursements	\$ 569,472
Cash received from program reimbursements	126,548
Cash received from fundraising efforts	17,542
Cash paid for program expenses	(531,808)
Cash paid to or on behalf of employees for services	(139,937)
Cash paid to suppliers for goods and services	(39,648)
Net cash used for operating services	<u>2,169</u>
CASH FLOWS FROM INVESTING ACTIVITIES	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Loan proceeds net of principal payments on line of credit	<u>(3,775)</u>
Net cash provided by financing activities	<u>(3,775)</u>
CASH AND CASH EQUIVALENTS, BEGINNING	3,482
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 1,876</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH USED FOR OPERATING ACTIVITIES	\$ (2,328)
Adjustments to reconcile change in net assets to net cash used for operating activities	
(Increase) decrease in assets:	
Due from Department of Education	(54,254)
Increase (decrease) in liabilities:	
Accounts payable	1,323
Due to providers	54,001
Due to Department of Education	(173)
Withholding taxes payable	3,181
Accrued salaries payable	420
NET CASH PROVIDED (USED) FOR OPEARTING ACTIVITIES	<u>\$ 2,169</u>

See accompanying independent auditor's report and notes to the financial statements.

OFFICE OF NUTRITION ASSISTANCE, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
ADMINISTRATIVE FUND
YEAR ENDED SEPTEMBER 30, 2017

<u>ACCOUNT</u>	<u>PROGRAM</u>	<u>SUPPORTING</u>
Equipment purchased/repaired	\$ -	\$ 767
Bank Fees		1,304
Insurance		933
Minute Menu	3,413	-
Office expenses	-	2,607
Postage	-	2,923
Internet	-	2,106
Provider payments/support	623,424	-
Janitorial	-	600
Rent/occupancy	-	11,930
Salaries	-	129,157
Payroll taxes	-	10,780
Printing/copying		3,186
Telephone	-	4,778
Travel	-	4,697
Utilities	-	3,817
TOTAL FUNCTIONAL EXPENSES	<u>\$ 626,837</u>	<u>\$ 179,585</u>

See accompanying independent auditor's report and notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

OFFICE OF NUTRITION ASSISTANCE, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Family Day Care Home Program of Office of Nutrition Assistance, Inc., (hereafter referred to as the Organization) was established to provide supervised provisions of meals. It serves an average of 150 homes per month to primarily low-income, disabled, elderly or other disadvantaged residents of Tangipahoa, St. Tammany and surrounding parishes. It engages in the U. S. Department of Agriculture Food and Nutrition Services under 7 CFR Part 226.

It operates on a fiscal year ending on September 30th, and its significant accounting policies are as follows:

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits. For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Receivables

Accounts receivable are stated at net realizable value. The Organization maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers/vendors to make required payments. Because collection is expected at 100%, an allowance for doubtful accounts has not been recorded.

Inventory

Inventory is stated at cost. It includes only office supplies and printed materials, the amount of which is considered immaterial. Therefore, the acquisition of these items is expensed when purchased, and the inventory on hand at year-end is not reported in the accompanying financial statements.

Property and Equipment

Property and equipment purchased by the Organization is recorded at cost. They are depreciated using the straight-line method over the estimated useful lives of the assets. Equipment with an original cost of \$5,000 or greater is generally capitalized. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

Support and Expenses

The Organization reports administrative and program reimbursements on the accrual basis of accounting. The amounts due to providers are also reported on the accrual basis of accounting. A donor restriction applies to the program reimbursement, and the amount is shown as temporarily restricted net assets. When the donor restriction expires, that is, when the stipulated restriction ends by payments to providers, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor restricted reimbursements whose restrictions are met in the same reporting period are reported as unrestricted support.

OFFICE OF NUTRITION ASSISTANCE, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

Expenses are recorded when incurred in accordance with the accrual basis of accounting. Advertising costs are expensed as incurred. There were no such costs during the current year.

Use of Estimates

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

Financial Statement Presentation

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117 “Financial Statement of Not-For-Profit Organization”. Under SFAS No. 117, the Organization is required to report information regarding its net assets and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows. As permitted by this new statement, the Organization has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the three classes of net assets required. This reclassification had no effect in the year this standard was adopted (1998).

Income Taxes

The Organization is a not-for-profit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The federal income tax returns of the company for fiscal years 2015, 2016, and 2017 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of demand deposits totaling \$1,876. Of this amount, \$1,277 is maintained in the administrative and provider accounts to be utilized for the family day care home program. The remaining funds are held by the General Fund and can be utilized at the discretion of management.

NOTE 3 - RECEIVABLES

Receivables are stated at the amount the Organization expects to collect. Management considers all receivables to be collectible at year-end.

Receivables at year-end consist of the following:

Due from Department of Education \$104,589

OFFICE OF NUTRITION ASSISTANCE, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 4 – ACCOUNTS AND OTHER PAYABLES

Payables at year end include the following:

Accounts payable	2,830
Payables to providers	104,589
Due to Department of Education	1,444
Withholding taxes payable	6,985
Accrued salaries	21,526
Line of credit	9,560
Total	<u><u>146,935</u></u>

The Organization has a line of credit with Whitney Bank for which funds are received and paid from the General Fund.

NOTE 5 - RESTRICTIONS ON NET ASSETS

Substantially all of the restrictions on net assets relate to amounts requested from the State of Louisiana, Department of Education for reimbursement to the providers of meals through the Family Day Care Home Program of the U. S. Department of Agriculture Food and Nutrition Services under 7 CFR Part 226. The amount due to providers requested but not yet received at year end has been accrued in the accompanying financial statements and is listed in the note above.

NOTE 6 - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose during the year as follows:

Purpose restriction accomplished:

Meals provided \$ 626,837

NOTE 7 - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the program and supporting services have been summarized on a functional basis in the schedule of functional expenses. Accordingly, certain costs have been allocated between the program and supporting services.

NOTE 8- CONCENTRATIONS

Cash and Cash Equivalents. Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At September 30, 2016, the Organization did not have bank balances in excess of FDIC insured limits. However, the collected balances exceed these limits in the provider's account for a few days each month. The Organization accepts this risk.

OFFICE OF NUTRITION ASSISTANCE, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

Receivables and Revenues. All receivables recorded are due from the Louisiana Department of Education, Division of Nutrition Assistance. Approximately 98% of the Organization's support is paid by the Department of Education, State of Louisiana through the U.S. Department of Agriculture Food and Nutrition Services, Family Day Care Home Program, under 7 CFR Part 226.

Geographical Market. The Organization is approved to operate in the parishes of Tangipahoa, St. Tammany and surrounding parishes. Volume is dependent on the willing and eligible providers in these areas.

NOTE 9 - LITIGATION

We are not aware of any pending or threatened litigation, claims or assessments that are required to be accrued or disclosed in this financial report.

NOTE 10 - SUBSEQUENT EVENTS

There were no subsequent events between the close of the fiscal year and May 1, 2018, the date on which the financial statements were available to be issued, that would materially impact the accompanying financial statements.

**OFFICE OF NUTRITION ASSISTANCE, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED SEPTEMBER 30, 2017**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
Major Programs		
US Department of Agriculture Food and Nutrition Services		
Child and Adult Day Care Food Program	10.558	

Family Day Care Home Program

Pass Through
 State of Louisiana, Department of Education
 Division of Nutrition

Program services: meals/snacks	626,837
Supporting services	179,585
Total federal award expenditures	<u>\$ 806,422</u>

**Notes to Schedule of Expenditures of Federal Awards
 Year ended September 30, 2017**

Basis of Presentation

This schedule of expenditures of federal awards includes the federal grant activity of the Family Day Care Home Program and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations (CFR), Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the basic financial statements.

Indirect Cost Rate

Office of Nutrition Assistance has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Subrecipients

There were no awards passed through to sub-reipients.

See Independent Auditor's Report.

Minda B. Raybourn

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees of
Office of Nutrition Assistance, Inc.
1001 NW Central Avenue
Amite, LA 70422

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Office of Nutrition Assistance, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2017, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 1, 2018.

Internal Control over Financial Reporting

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that I consider to be material weaknesses, as findings 2017-001 and 2017-002.

Compliance and Other Matters

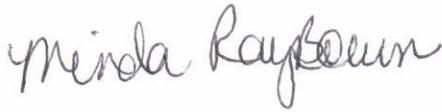
As part of obtaining reasonable assurance about whether Office of Nutrition Assistance, Inc.'s, financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items, as finding 2017-003.

Office of Nutrition Assistance, Inc.'s, Response to Findings

Office of Nutrition Assistance, Inc.'s, response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. Office of Nutrition Assistance, Inc.'s, response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

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



Minda Raybourn
Certified Public Accountant
Franklinton, LA

May 1, 2018

Minda B. Raybourn

Certified Public Accountant

Limited Liability Company

820 11th Avenue

Franklinton, Louisiana 70438

(985) 839-4413

Fax (985) 839-4402

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

To the Board of Trustees of
Office of Nutrition Assistance, Inc.
307 NW Central Avenue
Amite, LA 70422

Report on Compliance for Each Major Federal Program

I have audited Office of Nutrition Assistance Inc.'s, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Office of Nutrition Assistance Inc.'s, major federal program for the year ended September 30, 2017. Office of Nutrition Assistance Inc.'s, major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

I believe that my audit provides a reasonable basis for our opinion on compliance for each major federal program. However, my audit does not provide a legal determination of Office of Nutrition Assistance Inc.'s, compliance.

Basis for Qualified Opinion on United States Department of Agriculture Child and Adult Care Food Program (CACFP)

As described in the accompanying schedule of findings and questioned costs, Office of Nutrition Assistance, Inc., did not comply with requirements regarding CFDA 10.558 child and adult care food program as described in finding 2017-001 for reporting. Compliance with such requirements is necessary, in my opinion, for Office of Nutrition Assistance, Inc., to comply with the requirements applicable to that program.

Qualified Opinion on United States Department of Agriculture Child and Adult Care Food Program (CACFP)

In my opinion, except for the noncompliance described in the “Basis for Qualified Opinion” paragraph, Office of Nutrition Assistance, Inc., complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on United States Department of Agriculture Child and Adult Care Food Program (CACFP) for the year ended September 30, 2017.

Report on Internal Control Over Compliance

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

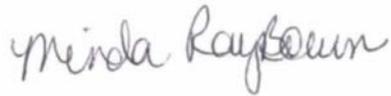
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. I identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2017-002 and 2017-003 that I consider to be material weaknesses.

Office of Nutrition Assistance, Inc.'s, response to the internal control over compliance findings identified in my audit is described in the accompanying schedule of findings and questioned costs. Office of Nutrition Assistance, Inc.'s, response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Minda Raybourn".

Minda Raybourn

Certified Public Accountant

Franklinton, LA

May 1, 2018

Minda B. Raybourn

Certified Public Accountant

Limited Liability Company

820 11th Avenue

Franklinton, Louisiana 70438

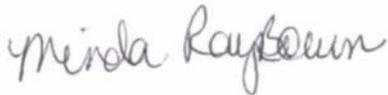
(985) 839-4413

Fax (985) 839-4402

INDEPENDENT AUDITOR'S REPORT ON CLAIMS FOR REIMBURSEMENT

To the Board of Trustees of
Office of Nutrition Assistance, Inc.
307 NW Central Avenue
Amite, Louisiana 70422

I have examined the accompanying claims for reimbursements (Audited Statements of Claims attached) submitted by the Family Day Care Home Program of Office of Nutrition Assistance, Inc., under the FDCH program. My examination was made in accordance with auditing standards established by the American Institute of Certified Public Accountants and with generally accepted government auditing standards established by the Comptroller General of the United States and included tests of programs and accounting records prescribed by the USDAOIG guide for audits of this program. In my opinion, the aforementioned claims present fairly the number of meals or supplements eligible for reimbursement for the period October 1, 2016 through September 30, 2017.



Minda Raybourn
Certified Public Accountant

Franklinton, LA
September 26, 2017

**OFFICE OF NUTRITION ASSISTANCE, INC.
AUDITED STATEMENT OF CLAIMS
YEAR ENDED SEPTEMBER 30, 2017**

REIMBURSEMENT PER AUDIT

Administrative	170,914
Program-meals	<u>623,725</u>
Total reimbursement per audit	<u><u>794,639</u></u>

REIMBURSEMENTS CLAIMED AND RECEIVED

Administrative	170,914
Program-meals	<u>623,725</u>
Total reimbursement claims and received	<u><u>794,639</u></u>

(OVER) UNDER CLAIM -

See Independent Auditor's Report.

OFFICE OF NUTRITION ASSISTANCE, INC.
SCHEDULE OF MEALS SERVED AND PROGRAM REIMBURSEMENTS
YEAR ENDED SEPTEMBER 30, 2017

MEALS SERVED	NUMBER SERVED BY MEAL TYPE				
	BREAKFAST	LUNCH	SUPPLEMENTS	SUPPER	TOTAL
From October 1, 2016 through June 30, 2017					
Tier 1	46,905	59,338	90,719	74,168	271,130
Reimbursement rate	1.31	2.46	0.73	2.46	
Total for period	61,446	145,971	66,225	182,453	456,095
From July 1, 2017 through September 30, 2017					
Tier 1	13,479	24,393	32,810	26,835	97,517
Reimbursement rate	1.31	2.46	0.73	2.46	
Total for period	17,657	60,007	23,951	66,014	167,630
TOTAL MEALS SERVED	60,384	83,731	123,529	101,003	368,647
NET REIMBURSEMENT	79,103	205,978	90,176	248,467	623,725

See Independent Auditor's Report.

**OFFICE OF NUTRITION ASSISTANCE, INC.
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
YEAR ENDED SEPTEMBER 30, 2017**

Agency Head: Suzanne Todd, Executive Director

Purpose:	
Salary	59,342
Benefits-FICA	4,540
Travel-monitoring visits	778
Total compensation, benefits, and other payments	<u>64,661</u>

See independent auditor's report.

OFFICE OF NUTRITION ASSISTANCE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2017

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Office of Nutrition Assistance, Inc., were prepared in accordance with generally accepted accounting principles.
2. Two material weaknesses were disclosed during the audit of the financial statements are reported in the independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with government auditing standards as findings 2017-002 and 2017-003. No significant deficiencies were reported.
3. One instance of noncompliance material to the financial statements of Office of Nutrition Assistance, Inc., are disclosed in the independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with government auditing standards as finding 2017-001.
4. Two material weaknesses in internal control over the major federal program were disclosed during the audit and is reported in independent auditor's report on compliance for each major program and on internal control over compliance required by the uniform guidance and is reported as findings 2017-002 and 2017-003. No significant deficiencies were reported.
5. The auditor's report on compliance for the United States Department of Agriculture Child and Adult Care Food Program (CACFP) expresses a qualified opinion. The report on the remaining program is unmodified.
6. The program tested as a major program was the United States Department of Agriculture Child and Adult Care Food Program (CACFP) (CFDA 10.558).
7. The threshold for the distinguishing Types A and B programs are as follows:
Type A- \$750,000 or more of federal awards expended
Type B- Any program that does not meet the threshold of Type A programs.
8. For the period ending September 30, 2017, the Office of Nutrition Assistance, Inc., was determined not to be a low-risk auditee.

OFFICE OF NUTRITION ASSISTANCE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2017

2017-001 Late Submittal of Audit Report

Criteria: 2 CFR section 200.512(a) requires the reporting package and data collection form to be submitted to the Federal Audit Clearinghouse the earlier of 30 calendar days after the reports are received from the auditor or nine months after the end of the audit period. In addition, per Louisiana state audit law, all reports are due to the Louisiana Legislative Auditors no more than six months after the entity's fiscal year end.

Condition: The September 30, 2017, audit report was not submitted until May 2018.

Cause: Management was undergoing a change in auditors from the 2015 audit. The company did not engage an auditor until July 2017. In addition, the accounting records were not up to date for the 2016 fiscal year. Because the prior fiscal year accounting records were not compiled timely, this caused the 2017 audit to be late.

Effect: Federal and state guidelines were not followed.

Recommendation: Management must ensure that all accounting records are up to date in order for the audit to be completed. Management must timely engage an auditor for each audit period.

Management's Response: Management agrees with the finding and the recommended procedures will be implemented.

2017-002 Bank Reconciliations Not Completed Timely

Criteria: Bank reconciliations should be performed on a monthly basis for all accounts. Management should review and approve all bank statements and reconciliations on a monthly basis. Any discrepancies should be investigated and corrected in a timely manner.

Condition: The organization has 3 bank accounts listed as follows:

1. General fund
2. Administrative Fund
3. Provider Fund

The organization did not complete any bank reconciliations on the accounts for any months during the fiscal year.

Cause: Unknown

Effect: Cash flow problems will not be detected to prevent NSF checks. The failure to complete bank reconciliations will result in cash balances being reported on financial reports incorrectly. The organization will not have any indication of checks that were outstanding or deposits that were not cleared. Any discrepancies in checks written or deposits made will be detected.

Recommendation: Management should complete bank reconciliations each month upon receipt of the bank statement. The executive director should review checks that have cleared the bank statement for proper authorization and should review deposits for timeliness and completeness. The executive director should also review and approve all bank reconciliations each month.

OFFICE OF NUTRITION ASSISTANCE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2017

Management's Response: Management agrees with the finding and the recommended procedures will be implemented.

2017-003 Accounting Records and General Ledgers

Criteria: Accounting records and general ledgers for each fund should be accurate and complete on a monthly basis. A general ledger for the entire fiscal year should be present to support the amounts on the organization's trial balance.

Condition: The organization has 3 funds listed as follows:

1. General und
2. Administrative Fund
3. Provider Fund

The general ledgers were not complete and were missing data.

Cause: The entity is updating its accounting records to Quickbooks. With this transition, the general ledgers were not completed timely.

Effect: The lack of accurate general ledgers will lead to misleading financial information on the financial reports presented to management.

Recommendation: Management needs to implement procedures to have an accurate general ledger for each fund of the organization. All checks and deposits need to be entered into an appropriate accounting system and the bank accounts reconciled to the general ledger. All accounts receivables and payables need to be entered and maintained in the ledger. All line of credit proceeds and payments need to be entered into the accounting records to maintain balances.

Management's Response: Management agrees with the finding and the recommended procedures will be implemented.

OFFICE OF NUTRITION ASSISTANCE, INC.
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2016

2016-001 Late Submittal of Audit Report

Criteria: 2 CFR section 200.512(a) requires the reporting package and data collection form to be submitted to the Federal Audit Clearinghouse the earlier of 30 calendar days after the reports are received from the auditor or nine months after the end of the audit period. In addition, per Louisiana state audit law, all reports are due to the Louisiana Legislative Auditors no more than six months after the entity's fiscal year end.

Condition: The September 30, 2016, audit report was not submitted until September 2017.

Cause: Management was undergoing a change in auditors from the 2015 audit. The company did not engage an auditor until July 2017. In addition, the accounting records were not up to date for the 2016 fiscal year.

Effect: Federal and state guidelines were not followed.

Recommendation: Management must ensure that all accounting records are up to date in order for the audit to be completed. Management must timely engage an auditor for each audit period.

Management's Response: Management agrees with the finding and the recommended procedures will be implemented.

Status: This is ongoing condition.

2016-002 Bank Reconciliations Not Completed Timely

Criteria: Bank reconciliations should be performed on a monthly basis for all accounts. Management should review and approve all bank statements and reconciliations on a monthly basis. Any discrepancies should be investigated and corrected in a timely manner.

Condition: The organization has 3 bank accounts listed as follows:

1. General fund
2. Administrative Fund
3. Provider Fund

The organization did not complete any bank reconciliations on the accounts for any months during the fiscal year.

Cause: Unknown

Effect: Cash flow problems will not be detected to prevent NSF checks. The failure to complete bank reconciliations will result in cash balances being reported on financial reports incorrectly. The organization will not have any indication of checks that were outstanding or deposits that were not cleared. Any discrepancies in checks written or deposits made will be detected.

Recommendation: Management should complete bank reconciliations each month upon receipt of the bank statement. The executive director should review checks that have cleared the bank statement for proper authorization and should review deposits for timeliness and completeness. The executive director should also review and approve all bank reconciliations each month.

OFFICE OF NUTRITION ASSISTANCE, INC.
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2016

Management's Response: Management agrees with the finding and the recommended procedures will be implemented.

Status: This is ongoing condition.

2016-003 Accounting Records and General Ledgers

Criteria: Accounting records and general ledgers for each fund should be accurate and complete on a monthly basis. A general ledger for the entire fiscal year should be present to support the amounts on the organization's trial balance.

Condition: The organization has 3 funds listed as follows:

1. General und
2. Administrative Fund
3. Provider Fund

The organization, upon request at the start of the audit, presented a general ledger for each fund. However, upon inspection, the ledgers contained 9 months of information not 12. The months included were for January 2016 through September 2016. The accounting data for October 2015 through December 2015 had to be compiled and combined with the 9 months for complete account balances on all of the Organization's accounts. Also, the organization's audited ending balances for September 30, 2015, were not recorded in the general ledger. In addition, upon inspection of the financial reports presented by management, the cash balances were overstated.

Cause: The general ledgers were reported on a date range from January through December and not the organization's fiscal year of October through September.

Effect: The lack of accurate general ledgers will lead to misleading financial information on the financial reports presented to management.

Recommendation: Management needs to implement procedures to have an accurate general ledger for each fund of the organization. All checks and deposits need to be entered into an appropriate accounting system and the bank accounts reconciled to the general ledger. All accounts receivables and payables need to be entered and maintained in the ledger. All line of credit proceeds and payments need to be entered into the accounting records to maintain balances.

Management's Response: Management agrees with the finding and the recommended procedures will be implemented.

Status: This is ongoing condition.

Minda B. Raybourn

Certified Public Accountant

Limited Liability Company

820 11th Avenue

Franklinton, Louisiana 70438

(985) 839-4413

Fax (985) 839-4402

wrcpa@franklinton.net

Member
AICPA

Member
LCPA

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of Office of Nutrition Assistance
and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by Office of Nutrition Assistance (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 31, 2016 through September 30, 2017. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
There entity's policies and procedures do not address budgeting.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase

orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

The entity's policies do not address how vendors are added to the vendor list or the documentation required to be maintained for all bids and price quotes. The entity does not use purchase requisitions or purchase orders.

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

The entity's policies and procedures do not address the processing of disbursements.

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

The entity's policies and procedures do not address the recording of receipts and deposits.

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

There were no exceptions in applying this procedure.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

The entity does not have written policies or procedures for contracting.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

The entity does not have written policies or procedures for debit cards. The entity does not use credit cards, fuel cards, or P-cards.

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

The entity's policies and procedure do not address dollar thresholds.

- 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.

This is not applicable.

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

This is not applicable.

Management response: We will update our financial policies and procedures to address budgeting, the processing of disbursements, the recording of receipts and deposits, the processes required for the debit card and contracting, and the dollar thresholds for travel and expense reimbursements.

Board (or Finance Committee, if applicable)

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.
I obtained the board minutes for the fiscal period of October 1, 2016 through September 30, 2017. The board meets quarterly.
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
The board minutes referenced financial statements. It did not reference budget to actual comparisons.
 - c) Report whether the minutes referenced or included non-budgetary financial information (e.g., approval of contracts and disbursements) for at least one meeting during the fiscal period.
The minutes referenced non-budgetary financial information for each quarterly meeting.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.
A listing of bank accounts and management's representation were obtained.
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;
Bank reconciliations were not prepared for all accounts until after the close of the fiscal year.

Management response: We will implement procedures to reconcile all bank accounts monthly.

- 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

I did not see evidence that a member of management or board member reviewed the bank reconciliations.

Management response: We will have the executive director approval all bank reconciliations.

- 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.

There were no exceptions in applying this procedure.

Collections

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

The entity has one location.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

- a) 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.

The employees are not bonded. The person responsible for depositing the cash in the bank is different than the person collecting cash. The entity uses an outside accountant for recording the transaction and reconciling the bank account.

- 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.

There were no exceptions in applying this procedure.

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 were no exceptions in applying this procedure.

- 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.

There were no exceptions in applying this procedure.

7. Obtain existing written documentation (e.g., policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (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.

There were no exceptions in applying this procedure.

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

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.

A listing of disbursements and management's representation were obtained.

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

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

The entity does not use a requisition/purchase order system.

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

The entity does not use a requisition/purchase order system. The executive director approves all purchases.

- c) Payments for purchases were not processed without 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.

The entity does not use a requisition/purchase order system.

- 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.

There were no exceptions in applying this procedure.

- 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.

There were no exceptions in applying this procedure.

- 12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

There were no exceptions in applying this procedure.

- 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.

There were no exceptions in applying this procedure.

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

- 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.

A listing of debit cards and management's representation were obtained. The entity has one debit card and does not use credit cards, fuel cards, or P-cards.

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

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

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [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.)]

I selected December 2017 bank statement as having the largest dollar amount of debit card purchases. There were no exceptions in applying this procedure.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.
There were no exceptions in applying this procedure.

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

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased).

There were no exceptions in applying this procedure.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

There were no exceptions in applying this procedure.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization).

There were no exceptions in applying this procedure.

- 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.

There were no exceptions in applying this procedure.

- 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.

There were no exceptions in applying this procedure.

Travel and Expense Reimbursement

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.

A listing of travel and related expense reimbursements and management's representation were obtained.

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

The entity's policies and procedures do not address per diem and mileage rates.

Management response: We will update our travel policy to address per diem and mileage rates used in reimbursements.

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

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

There were no exceptions in applying this procedure.

- 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.]

There were no exceptions in applying this procedure.

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

There were no exceptions in applying this procedure.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

There were no exceptions in applying this procedure.

- 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.

There were no exceptions in applying this procedure.

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

There were no exceptions in applying this procedure.

Contracts

- 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.

A listing of all contracts in effect and management's representation were obtained.

- 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.

There were no exceptions in applying this procedure

- 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).

There were no exceptions in applying this procedure.

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

There were no exceptions in applying this procedure.

- 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.

There were no exceptions in applying this procedure.

- 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.

There were no exceptions in applying this procedure.

- 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).

Board minutes do not reflect approval. The executive director signs all contracts.

Payroll and Personnel

- 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 listing of employees and management's representation were obtained.

- 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.

There were no exceptions in applying this procedure.

- 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.

There were no exceptions in applying this procedure.

- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

There were no exceptions in applying this procedure.

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

There were no exceptions in applying this procedure.

- 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.

There were no exceptions in applying this procedure.

- 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.

No employees were terminated during the fiscal period.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

The state withholding for each quarter for the fiscal year was no paid until after the close of the fiscal year of September 30, 2017. All federal taxes were paid timely. The entity does not have a retirement plan to contribute to.

Management response: We will put procedures in place to track due dates of all payroll taxes and pay them accordingly.

Ethics (excluding nonprofits)

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.

This is not applicable to the entity.

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.

This is not applicable to the entity.

Debt Service (excluding nonprofits)

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

This is not applicable to the entity.

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.

This is not applicable to the entity.

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

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.

There were no exceptions in applying this procedure.

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

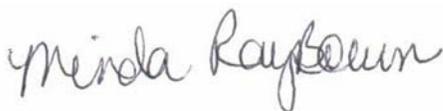
There were no exceptions in applying this procedure.

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

There were no exceptions in applying this procedure.

I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



Minda Raybourn CPA
Franklinton, LA
May 1, 2018