

**FELICIANA DAY CARE HOME  
AGENCY**

**FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION**

**SEPTEMBER 30, 2018**

**FELICIANA DAY CARE HOME AGENCY  
 FINANCIAL STATEMENTS  
 WITH SUPPLEMENTARY INFORMATION  
 SEPTEMBER 30, 2018**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees

Feliciana Day Care Home Agency

Clinton, La 70722

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

I have audited the accompanying financial statements of Feliciana Day Care Home Agency, (a nonprofit organization), which comprise the statement of financial position as of September 30, 2018, and the related statements of activities, cash flows, and functional expenses, for the year then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

I believe that the audit evidence we 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 Feliciana Day Care Home Agency, as of September 30, 2018, 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 Standard***

In accordance with *Government Auditing Standards*, we have also issued my report dated March 23, 2019, on my consideration of Feliciana Day Care Home Agency's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Feliciana Day Care Home Agency's internal control over financial reporting and compliance.



Minda Raybourn CPA

Franklinton, LA

March 23, 2019

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## **FINANCIAL STATEMENTS**

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**FELECIANA DAY CARE HOME AGENCY  
STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 2018**

ASSETS

Current Assets

Cash and cash equivalents	\$	(287)
Due from Department of Education		267,324
Due from Director		58,945
Total Current Assets		<u>325,982</u>

Capital Assets

Office Equipment		9,240
Accumulated Depreciation		(5,544)
Net Capital Assets		<u>3,696</u>

TOTAL ASSETS		<u>329,679</u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable		50
Due to providers		228,314
Withholding taxes payable		4,280
Total Current Liabilities/Total Liabilities		<u>232,644</u>

Net Assets (Deficit)

Unrestricted		<u>97,035</u>
Total Net Assets (Deficit)		<u>97,035</u>

Total Liabilities and Net Assets (Deficit)	\$	<u>329,679</u>
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The accompanying notes are an integral part of these financial statements.

**FELECIANA DAY CARE HOME AGENCY  
STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2018**

UNRESTRICTED NET ASSETS

SUPPORT AND OTHER GAINS

Administrative reimbursement	\$ 228,142
Other income	-
Fundraising and other contributions	-
Total support and other gains	<u>228,142</u>

NET ASSETS RELEASED FROM RESTRICTIONS

Restrictions satisfied by payments	<u>1,409,343</u>
total support, other gains, and reclassifications	<u>1,637,485</u>

EXPENSES

Program services	1,409,343
Supporting services	<u>222,001</u>
Total expenses	<u>1,631,344</u>

Increase (decrease) in unrestricted net assets	<u>6,141</u>
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TEMPORARILY RESTRICTED NET ASSETS

Support from meal reimbursements	
Net assets released from restrictions:	1,409,343
Restrictions satisfied by payments	<u>(1,409,343)</u>
Increase in temporarily restricted net assets	<u>-</u>

CHANGE IN NET ASSETS	6,141
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NET ASSETS (DEFICIT), BEGINNING	<u>90,894</u>
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NET ASSETS (DEFICIT), ENDING	<u>\$ 97,035</u>
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The accompanying notes are an integral part of these financial statements.

**FELECIANA DAY CARE HOME AGENCY  
STATEMENT OF CASH FLOWS  
YEAR ENDED SEPTEMBER 30, 2018**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from administrative reimbursements	\$ 1,265,978
Cash received from program reimbursements	222,001
Cash received from other income	-
Cash received from fundraising efforts & other	-
Cash paid for program expenses	(1,265,978)
Cash paid to or on behalf of employees for services	(161,388)
Cash paid to suppliers for goods and services	(60,864)
Net cash used for operating services	<u>(252)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>
CASH AND CASH EQUIVALENTS, BEGINNING	(35)
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ (287)</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH USED FOR OPERATING ACTIVITIES	\$ 6,141
Adjustments to reconcile change in net assets to net cash used for operating activities	
Depreciation	1,848
(Increase) decrease in assets:	
Due from Department of Education	(143,365)
Due from Director	18,754
Increase (decrease) in liabilities:	
Accounts payable	(4,274)
Due to providers	122,931
Withholding taxes payable	(2,287)
	-
NET CASH PROVIDED (USED) FOR OPEARTING ACTIVITIES	<u>\$ (252)</u>

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

**FELECIANA DAY CARE HOME AGENCY  
SCHEDULE OF FUNCTIONAL EXPENSES  
ADMINISTRATIVE FUND  
YEAR ENDED SEPTEMBER 30, 2018**

<u>ACCOUNT</u>	<u>PROGRAM</u>	<u>SUPPORTING</u>
Bank charges	\$ -	\$ 153
Accounting	-	4,600
Janitorial	-	4,620
Depreciation	-	1,848
Dues	-	110
Office equipment and rental	-	1,917
Office expenses	-	10,457
Postage	-	119
Professional fees	-	3,500
Provider payments/support	1,409,343	
Salaries	-	149,323
Payroll taxes	-	12,066
Telephone	-	7,316
Provider training	-	574
Travel	-	23,726
Utilities	-	1,673
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 1,409,343</b>	<b>\$ 222,001</b>

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

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**NOTES TO FINANCIAL STATEMENTS**

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**FELICIANA DAY CARE HOME AGENCY  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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

**Nature of Activities**

The Family Day Care Home Program of Feliciana Day Care Home Agency (hereafter referred to as the Organization) was established to provide supervised provisions of meals. It serves an average of 135 homes per month to primarily low-income, disabled, elderly or other disadvantaged residents of East Feliciana and nearby 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 recorded 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 are 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 the providers, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net

**FELICIANA DAY CARE HOME AGENCY  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

assets released from restrictions. Donor-restricted reimbursements whose restrictions are met in the same reporting period are reported as unrestricted support.

Expenses are recorded when incurred in accordance with the accrual basis of accounting. Advertising costs are expensed as incurred.

**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.

**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 2014, 2015, 2016 and 2018 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 the following:

Demand deposits (\$ 287)

Of this amount, (\$418) is maintained in the administrative account to be utilized for the family day care home program. The remaining funds are held by the Fire Marshal Fund.



**FELICIANA DAY CARE HOME AGENCY  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

**NOTE 7 -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	\$ 1,409,343
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**NOTE 8 -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 9-CONCENTRATIONS**

*Receivables and Revenues.* All receivables recorded are due from the Louisiana Department of Education, Division of Nutrition Assistance. Approximately 99% 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 Washington and neighboring parishes. Volume is dependent on the willing and eligible providers in these areas.

**NOTE 10 -LITIGATION**

There is no pending or threatened litigation, claims or assessments that are required to be accrued or disclosed in this financial report.

**NOTE 11 -SUBSEQUENT EVENTS**

Management has evaluated subsequent events between the close of the fiscal year and March 23, 2019, the date on which the financial statements were available to be issued, that would materially impact the accompanying financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

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**FELECIANA DAY CARE HOME AGENCY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED SEPTEMBER 30, 2018**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
<b>Major Programs</b>		
US Department of Agriculture		
Food and Nutrition Services		
Child and Adult Day Care Food Program	10.558	
 <b>Family Day Care Home Program</b>		
Pass Through		
State of Louisiana, Department of Education		
Division of Nutrition		
	Program services: meals/snacks	1,409,343
	Supporting services	<u>222,001</u>
	Total federal award expenditures	<u>\$ 1,631,344</u>

**Notes to Schedule of Expenditures of Federal Awards  
Year ended September 30, 2018**

**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**

Felician Day Care Home Agency has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**Subrecipients**

There was no awards passed through to sub-recipients.

**FELECIANA DAY CARE HOME AGENCY  
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER  
PAYMENTS TO AGENCY HEAD  
YEAR ENDED SEPTEMBER 30, 2018**

Agency Head: Steven Bradham  
Executive Director

Salary	76,960
Benefite-FICA	5,887
Travel-monitoring	<u>6,004</u>
Total	<u><u>88,852</u></u>

See Independent Auditor's Report.

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SUPPLEMENTARY INFORMATION

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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  
Feliciana Day Care Home Agency

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 Feliciana Day Care Home Agency, (a nonprofit organization), which comprise the statement of financial position as of September 30, 2018, 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 March 23, 2019.

### Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered Feliciana Day Care Home Agency'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 Feliciana Day Care Home Agency's internal control. Accordingly, I do not express an opinion on the effectiveness of Feliciana Day Care Home Agency'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. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that I consider to be a significant deficiency (finding 2018-001).

### **Compliance and Other Matters**

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

### **Feliciana Day Care Home Agency Response to Findings**

Feliciana Day Care Home Agency's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Feliciana Day Care Home Agency'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.

This report is intended solely for the information and use of management, others within the agency, the Legislative Auditor, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Minda Raybourn CPA

Franklinton, LA

March 23, 2019

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

To the Board of Trustees of  
Feliciana Day Care Home Agency

### **Report on Compliance for Each Major Federal Program**

I have audited Feliciana Day Care Home Agency'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 Feliciana Day Care Home Agency's major federal programs for the year ended September 30, 2018. Feliciana Day Care Home Agency'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 Feliciana Day Care Home Agency'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 Feliciana Day Care Home Agency's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of Feliciana Day Care Home Agency's compliance.

### ***Opinion on Each Major Federal Program***

In my opinion, Feliciana Day Care Home Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2018.

### **Report on Internal Control Over Compliance**

Management of Feliciana Day Care Home Agency 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 Feliciana Day Care Home Agency'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 Feliciana Day Care Home Agency'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 have not been identified. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, I did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2018-001 that I consider to be significant deficiencies.

Feliciana Day Care Home Agency's response to the internal control over compliance findings identified in my audit is described in the accompanying schedule of findings and questioned costs. Feliciana Day Care Home Agency'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". The signature is written in black ink on a light-colored background.

Minda Raybourn CPA

Franklinton, LA

March 23, 2019

*Minda B. Raybourn*

*Certified Public Accountant*

*Limited Liability Company*

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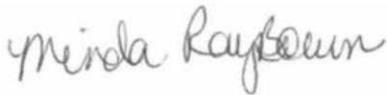
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**INDEPENDENT AUDITOR'S REPORT ON CLAIMS FOR REIMBURSEMENT**

To the Board of Trustees of  
Feliciana Day Care Home Agency  
PO Box 546  
Bogalusa, Louisiana 70429

I have examined the accompanying claims for reimbursements (Audited Statements of Claims attached) submitted by the Family Day Care Home Program of Feliciana Day Care Home Agency 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 USDA OIG 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, 2017, through September 30, 2018.



Minda Raybourn CPA  
Franklinton, LA  
March 23, 2019

**FELECIANA DAY CARE HOME AGENCY  
AUDITED STATEMENT OF CLAIMS  
YEAR ENDED SEPTEMBER 30, 2018**

REIMBURSEMENT PER AUDIT

Administrative	228,142
Program-meals	<u>1,409,336</u>
Total reimbursement per audit	<u><u>1,637,478</u></u>

REIMBURSEMENTS CLAIMED AND RECEIVED

Administrative	228,142
Program-meals	<u>1,409,343</u>
Total reimbursement claims and received	<u><u>1,637,485</u></u>

(OVER) UNDER CLAIM (7)

See independent auditor's report.

**FELECIANA DAY CARE HOME AGENCY  
SCHEDULE OF MEALS SERVED AND PROGRAM REIMBURSEMENTS  
YEAR ENDED SEPTEMBER 30, 2018**

MEALS SERVED	NUMBER SERVED BY MEAL TYPE				
	BREAKFAST	LUNCH	SUPPLEMENTS	SUPPER	TOTAL
From October 1, 2017 through June 30, 2018					
Tier 1	22,093	145,439	210,493	206,143	584,168
Reimbursement rate	1.31	2.46	0.73	2.46	
Total for period	28,942	357,780	153,660	507,112	1,047,493
From July 1, 2018 through September 30, 2018					
Tier 1	5,568	52,544	71,604	70,333	200,049
Reimbursement rate	1.31	2.46	0.73	2.46	
Total for period	7,294	129,258	52,271	173,019	361,842
TOTAL MEALS SERVED	27,661	197,983	282,097	276,476	784,217
NET REIMBURSEMENT	36,236	487,038	205,931	680,131	1,409,336

See independent auditor's report.

**FELICIANA DAY CARE HOME AGENCY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2018**

**SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Feliciana Day Care Home Agency were prepared in accordance with generally accepted accounting principles.
2. No material weaknesses were disclosed during the audit of the financial statements. One significant deficiency was disclosed during the audit of the financial statements are reported on the Schedule of Findings and Questioned Costs.
3. No instances of noncompliance material to the financial statements of Feliciana Day Care Home Agency, which would be required to be reported in accordance with *Government Auditing Standard* were disclosed during the audit.
4. No significant deficiencies or material weaknesses were identified during the audit of the major federal award program.
5. The auditor's report on compliance for the United States Department of Agriculture Child and Adult Care Food Program (CACFP) expresses an unmodified opinion.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this schedule.
7. The program tested as a major program was the United States Department of Agriculture Child and Adult Care Food Program (CACFP) (CFDA 10.558).
8. 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.
9. For the period ending September 30, 2018, Feliciana Day Care Home Agency was determined to not be a low-risk auditee.

## **FINDINGS-FINANCIAL STATEMENTS**

Type of auditor's report: Unmodified

Internal control over financial reporting:

Material weaknesses identified? No

Significant deficiencies identified? Yes

Noncompliance material to financial statements noted? No

### **Finding 2018-001 Lack of Documentation on Disbursements**

Condition: Of 5 disbursements sampled, 3 did not have supporting invoice for payment. One disbursement was paid by statement and not by an invoice.

Criteria: Internal controls should be in place that provide for all disbursements to be documented by an invoice before payment.

Cause: Unknown

Effect: Because of the failure to properly document disbursements, payments may be made without approval of knowledge of management.

Recommendation: Procedures should be put in place to require proper documentation for approval before disbursements are processed.

Management's Response: We will put in place procedures to require invoices for all payments of goods and services. Management approval will be required.

**FELICIANA DAY CARE HOME AGENCY  
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2017**

**Compliance Finding-Late Submittal of Audit**

**Criteria:** The audit report must be submitted to the Louisiana Legislative Auditor's no later than six months after the close of the entity's fiscal year.

**Condition:** The audit report was submitted one month past the agency's legal deadline of March 31, 2018.

**Cause of Condition:** Accounting records were not submitted to the auditor until mid-March of 2018. This caused a delay in applying auditing procedures to the entity's financial records and thus causing the agency's report to be filed late.

**Effect:** The audit report was submitted during April 2018.

**Recommendation:** The Agency must provide accounting records to the auditor soon after the close of the fiscal year in order for the auditor to have time to perform audit procedures and compile the audit report. I recommend accounting records be provided 30 days after the agency's fiscal year ends.

**Management's Response:** We will take steps to implement procedures to timely turn over the accounting records to the auditor after the close of the fiscal year.

**Status:** Resolved.

## Feliciana Day Care Home Agency

### CORRECTIVE ACTION PLAN

Feliciana Day Care Home agency submits the following corrective action plan for the year ended September 30, 2018

Name and address of independent public accounting firm: Minda B. Raybourn CPA, 820 11<sup>th</sup> Avenue, Franklinton, LA 70438

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Finding Federal Award Program Audit  
Finding Financial Statement Audit  
Significant Deficiency

Finding 2018-001 Lack of Documentation on Disbursements

Condition: Of 5 disbursements sampled, 3 did not have supporting invoice for payment. One disbursement was paid by statement and not by an invoice.

Criteria: Internal controls should be in place that provide for all disbursements to be documented by an invoice before payment.

Cause: Unknown

Effect: Because of the failure to properly document disbursements, payments may be made without approval of knowledge of management.

Recommendation: Procedures should be put in place to require proper documentation for approval before disbursements are processed.

Management's Response: We will put in place procedures to require invoices for all payments of goods and services. Management approval will be required.

Planned corrective action plan: We concur with the recommendation. We will begin to require invoices for all payments of monthly bills for approval before payment is made.

Name of contact: Steven Bradham, Executive Director

Anticipated completion date: April 30, 2019

FELICIANA DAY CARE HOME AGENCY  
INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES  
SEPTEMBER 30, 2018

*Minda B. Raybourn*

*Certified Public Accountant  
Limited Liability Company*

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Member  
AICPA

Member  
LCPA

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

To the Board of Directors of  
Feliciana Day Care Home Agency  
and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by Feliciana Day Care Home Agency. (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 1, 2017 through September 30, 2018. 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***

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

*While the entity is required to present a budget each year for its state contract renewal with the Louisiana Department of Education, the entity has no formal written policies and procedures on 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 executive director initiates all purchases. The entity's policies does 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.

*There were no exceptions in applying this procedure.*

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or 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).

*There were no exceptions in applying this procedure.*

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

*The entity has no payroll policies and procedures in place other than who is to sign the checks.*

- 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 has no payroll policies and procedures in place other than who is to sign the checks.*

- 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

*The entity does not use credit cards, debit 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.

*There entity has no written policies or procedures on travel and expense reimbursement other than who is to approve and sign the check.*

- 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.

*This is not applicable.*

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

*This is not applicable.*

### ***Board or Finance Committee***

---

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

*The board meets quarterly.*

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

*The board minutes referenced financial statements. It did not reference budget to actual comparisons.*

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

*The entity does not have a negative fund balance.*

### ***Bank Reconciliations***

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- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

*No exceptions noted.*

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

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

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*No exceptions noted.*

**Collections-This is not applicable as the entity did not have any exceptions in the prior year.**

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
- 6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - a) Observe that receipts are sequentially pre-numbered.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
- e) Trace the actual deposit per the bank statement to the general ledger.

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

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- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

*A listing of locations that process payments and management's representation that the listing is complete were obtained.*

- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

*The executive director can initiate a purchase, approve the purchase, and place the order.*

- b) At least two employees are involved in processing and approving payments to vendors.

*The executive director can process and approve payments.*

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

*The accountant can add and modify vendor names to the general ledger.*

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

*Signed checks are maintained under the control of the director until they are mailed.*

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

*Five disbursements were selected. Out of the five disbursements, three did not have an original invoice or billing statement. The documentation did not have evidence of approval.*

***Credit Cards/Debit Cards/Fuel Cards/P-Cards-This is not applicable as the entity does not use cards.-This is not applicable as the entity does not use credit cards, debit cards, fuel cards, or P-cards.***

---

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, 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.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) 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.]]
  - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

***Travel and Travel-Related Expense Reimbursements (excluding card transactions)- This is not applicable as the entity did not have any exceptions in the prior year***

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14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
  - a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

### ***Contracts***

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15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

*A listing of all contracts in effect and management's representation that the general ledger population is complete were obtained.*

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

*No exceptions noted.*

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

*No exceptions noted.*

- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment.

*No contracts were amended.*

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

*No exceptions noted.*

### ***Payroll and Personnel This is not applicable as the entity did not have any exceptions in the prior year***

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16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

***Ethics-This is not applicable to the entity.***

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
  - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

***Debt Service-This is not applicable to the entity.***

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21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

*Other*

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

*There were no exceptions noted.*

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

*There were no exceptions noted.*

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  
March 24, 2019