

THE ASSIST AGENCY, INC.
BASIC FINANCIAL STATEMENTS AND
AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017

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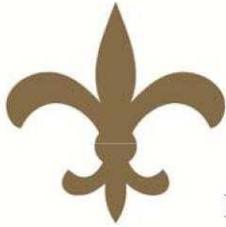
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J. Aaron Cooper , CPA, LLC

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Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The ASSIST Agency, Inc.
Crowley, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of The ASSIST Agency, Inc. (a nonprofit organization), which is comprised the of statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The ASSIST Agency, Inc., as of December 31, 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated June 15, 2017, on my consideration of The ASSIST Agency, Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The ASSIST Agency, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "J. Aaron Cozart, CPA, LLC". The signature is written in a cursive style.

Jennings, Louisiana
June 15, 2018

THE ASSIST AGENCY, INC.

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 299,286
Accounts Receivable	25,382
Due from Friends of ASSIST, Inc.	145,805
Other Receivables	970
Other Current Assets	<u>4,405</u>
Total Current Assets	<u>475,848</u>

FIXED ASSETS

Furniture and Equipment	81,419
Vehicles	1,425
Land	<u>28,393</u>
Total	111,237
Less: Accumulated Depreciation	<u>(70,459)</u>
Net Fixed Assets	<u>40,778</u>

TOTAL ASSETS \$ 516,626

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 2,318
Accrued Payroll Liabilities	<u>5,813</u>
Total Current Liabilities	<u>8,131</u>

OTHER LIABILITIES

Accrued Compensated Absences	15,010
Security Deposits	<u>1,450</u>
Total Other Liabilities	<u>16,460</u>

TOTAL LIABILITIES 24,591

NET ASSETS

Unrestricted	490,635
Temporarily Restricted Net Assets	<u>1,400</u>
Total Net Assets	<u>492,035</u>

TOTAL LIABILITIES AND NET ASSETS \$ 516,626

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

THE ASSIST AGENCY, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

CHANGES IN UNRESTRICTED NET ASSETS:

UNRESTRICTED REVENUES AND SUPPORT

Grants	\$ 731,117
Contributions	2,649
Interest Income	202
Partnership Income	20,353
Other	<u>22,451</u>
Total Unrestricted Revenues and Support	776,772

NET ASSETS RELEASED FROM RESTRICTIONS

Program Restrictions Satisfied	<u>106,552</u>
Total Revenues, Support, and Net Assets Released From Restrictions	<u>883,324</u>

EXPENSES

Program Activities:

Community Services Block Grant Program	372,638
Emergency Food and Shelter Program	23,332
Elderly Services Program	72,124
Homeless Program	51,309
J&K Hope Center Program	-
Summer Food Service Program	111,634
Other Program Activities	<u>102,026</u>

Total 733,063

Management and General 126,206

Fundraising Activities 169

Total Expenses 859,438

CHANGE IN UNRESTRICTED NET ASSETS 23,886

CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:

Contributions	106,552
Net Assets Released From Restrictions	<u>(106,552)</u>

CHANGE IN TEMPORARILY RESTRICTED NET ASSETS -

CHANGE IN NET ASSETS 23,886

NET ASSETS AT BEGINNING OF PERIOD 468,149

NET ASSETS AT END OF PERIOD \$ 492,035

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

THE ASSIST AGENCY, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>PROGRAM ACTIVITIES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Compensation and Related Expenses:				
Salaries	\$ 383,346	\$ 37,582	\$ -	\$ 420,928
Employee Benefits:				
Payroll Taxes	33,365	5,994	-	39,359
Retirement	3,533	883	-	4,416
Group Insurance	13,408	10,168	-	23,576
Compensated Absences	-	(524)	-	(524)
Total	<u>433,652</u>	<u>54,103</u>	-	<u>487,755</u>
Administrative Fees	-	2,760	-	2,760
Advertising	751	55	-	806
Automobile	3,389	-	-	3,389
Bank Charges	-	307	-	307
Community Food	142	-	-	142
Contract Labor	42,479	-	-	42,479
Depreciation	4,395	-	-	4,395
Donations	-	30	-	30
Dues and Subscriptions	1,022	-	-	1,022
Emergency Assistance	136,228	-	-	136,228
Financial Education	3,000	-	-	3,000
Food	25,474	-	-	25,474
Fundraising	-	-	169	169
Insurance	2,981	8,697	-	11,678
Janitorial	234	-	-	234
Audit and Professional Fees	-	38,405	-	38,405
Medical	455	-	-	455
Meeting	-	1,845	-	1,845
Miscellaneous	2,174	3,924	-	6,098
Office Expense/Supplies	12,510	2,985	-	15,495
Penalties and Fines	-	368	-	368
Postage	531	30	-	561
Registration Fees	-	650	-	650
Rent	37,578	8,529	-	46,107
Repairs and Maintenance	3,439	629	-	4,068
Supplies	3,794	666	-	4,460
Telephone	7,360	1,456	-	8,816
Travel	5,901	767	-	6,668
Utilities	<u>5,574</u>	<u>-</u>	<u>-</u>	<u>5,574</u>
Totals	<u>\$ 733,063</u>	<u>\$ 126,206</u>	<u>\$ 169</u>	<u>\$ 859,438</u>

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

THE ASSIST AGENCY, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 23,886
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By Operating Activities:	
Depreciation	4,395
Change in Assets and Liabilities:	
Accounts Receivable	63,083
Other Current Assets	1,997
Accounts Payable	(21,568)
Accrued Payroll Liabilities	2,840
Accrued Compensated Absences	<u>(524)</u>
Net Cash Provided (Used) by Operating Activities	<u>74,109</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Fixed Assets	<u>(3,519)</u>
Net Cash Provided (Used) By Investing Activities	<u>(3,519)</u>

NET CHANGE IN CASH 70,590

CASH AND EQUIVALENTS, BEGINNING OF PERIOD 228,696

CASH AND EQUIVALENTS, END OF PERIOD \$ 299,286

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

THE ASSIST AGENCY, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations – The ASSIST Agency, Inc., (“ASSIST Agency” or “Organization”) is a non-profit corporation chartered by the State of Louisiana on March 15, 1976. The primary function of The ASSIST Agency is to provide services to low-income, handicapped, and homeless individuals in the form of weatherization assistance, emergency food and shelter, food distribution, low-income housing assistance, and other related social and emergency services in Acadia, Vermilion, and Jefferson Davis Parishes. The Board of Directors governs the operations of the Organization.

Financial Statement Presentation –The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Basis of Accounting - The financial statements of The ASSIST Agency have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Contributions - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Income Taxes - The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The Organization’s federal Exempt Organization Business Income Tax Returns (Form 990T) are subject to examination by the IRS generally for three years after they were filed.

Donor Restricted Funds – All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases these net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the program restrictions satisfied.

Property and Equipment – Property and equipment are valued at historical cost for assets purchased and at fair market value at the date of donation for contributed assets. Donations of property and equipment are recorded as support at their estimated fair market value and are reported as unrestricted unless the donor has restricted the donated assets for a specific purpose. The Organization is not allowed to dispose of any fixed assets purchased with grant proceeds without the approval of the grantor agency. In addition, the Organization currently uses equipment whose title is held by the Louisiana Department of Labor under the Community Services Block Grant. Depreciation is computed using the straight-line method over the assets’ useful lives. Depreciation expense was \$4,395 for the year ended December 31, 2017.

Cash and Cash Equivalents – For purposes of the Statement of Cash Flows, the Organization considers all investments purchased with an original maturity of three months or less to be cash equivalents, excluding permanently restricted cash and cash equivalents.

THE ASSIST AGENCY, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Federal Financial Awards - Revenues from direct and indirect federal grants and contracts are recorded based on expenses incurred for contracts that are on a cost reimbursement basis, and based on the units of service for those contracts which are on a fee for service basis. In the statement of activities, these revenues are included in grants revenue under unrestricted revenues and support. Related contract receivables are referred to as accounts receivable in the statement of financial position.

Donated Services – The Organization recognizes donated services that (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. At December 31, 2017, there were no material donated services.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

Advertising Costs – The Organization uses advertising to promote its programs among the individuals it serves. The cost of this advertising is expensed as incurred. Advertising costs for the year ended December 31, 2017, was \$806.

(B) TEMPORARILY RESTRICTED NET ASSETS

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

United Way	\$ 46,727
Other Restricted Donations	<u>59,825</u>
Total	<u>\$ 106,552</u>

(C) ACCOUNTS RECEIVABLE

At December 31, 2017, accounts receivable was comprised of the following:

Acadia Parish Police Jury	\$ 13,997
Louisiana Housing Corporation	2,595
Property Management Fees	<u>8,790</u>
Total	<u>\$ 25,382</u>

The Organization generally does not require collateral, and the majority of its receivables are unsecured. The carrying amount for accounts receivable approximates fair value.

THE ASSIST AGENCY, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

(D) ACCRUED COMPENSATED ABSENCES

Employees earn from six to eighteen days each of annual leave and sick leave each year, depending on their length of service. The maximum amount of annual leave an employee is allowed to carry over is 120 hours (15 days). Upon termination, employees are paid for all unused annual leave (up to 120 hours). Accordingly, an accrual of \$15,010 has been made for accumulated annual leave as of December 31, 2017.

(E) RETIREMENT PLAN

The Organization contributes to a Savings Incentive Match Plan for Employees of Small Employers (SIMPLE). All employees of the Organization are eligible to participate. The Organization contributes up to 3.00% of each employee's compensation for the calendar year to a SIMPLE IRA for each employee who has at least \$5,000 in compensation for the previous year. Retirement plan expense for the year ended December 31, 2017 was \$4,416.

(F) INVESTMENTS IN LIMITED PARTNERSHIPS

On December 15, 1995, the Organization entered into a limited partnership known as Southwind Apartments, ALPIC, as managing general partner. The partnership owns and operates a multi-family housing facility in Jefferson Davis Parish, Louisiana, for use and occupancy by individuals and families of low to moderate income, in accordance with the terms and conditions of participation in the HOME Affordable Rental Housing Program. The Organization has an equity position of .50% in the partnership. However, as a general partner, the Organization is potentially liable for all the debts of the partnership.

On October 23, 1997, the Organization entered into a limited partnership known as Westfield Apartments, ALPIC, as managing general partner. The partnership owns and operates a multi-family housing facility in Jefferson Davis Parish, Louisiana, for use and occupancy by individuals and families of low to moderate income, in accordance with the terms and conditions of participation in the HOME Affordable Rental Housing Program. The Organization has an equity position of .50% in the partnership. However, as a general partner, the Organization is potentially liable for all the debts of the partnership.

On September 21, 2000, the Organization entered into a limited partnership known as Acadian Place Apartments, ALPIC, as managing general partner. The partnership was formed to develop multi-family housing in Church Point, Louisiana, for use and occupancy by individuals and families of low to moderate income, in accordance with the terms and conditions of participation in the HOME Affordable Rental Housing Program. The Organization has an equity position of .01% in the partnership. However, as a general partner, the Organization is potentially liable for all the debts of the partnership.

On September 21, 2000, the Organization entered into a limited partnership known as Southern Apartments Partnership, as managing general partner. The partnership was formed to develop multi-family housing in Iota, Louisiana, for use and occupancy by individuals and families of low to moderate income, in accordance with the terms and conditions of participation in the HOME Affordable Rental Housing Program. The Organization has an equity position of 2.50% in the partnership. However, as a general partner, the Organization is potentially liable for all the debts of the partnership.

THE ASSIST AGENCY, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

(F) INVESTMENTS IN LIMITED PARTNERSHIPS – continued

On May 15, 2006, the Organization entered into a limited partnership known as Bobby Smith Subdivision I Limited Partnership, as managing general partner. The partnership was formed to develop, build, own and operate a scattered site residential housing complex in Acadia Parish, for the purposes of providing affordable housing, in accordance with the terms and conditions of participation in the HOME Affordable Rental Housing Program. The Organization has an equity position of .005% in the partnership. However, as a general partner, the Organization is potentially liable for all the debts of the partnership.

On May 15, 2006, the Organization entered into a limited partnership known as Bobby Smith Subdivision II Limited Partnership, as managing general partner. The partnership was formed to develop, build, own and operate a scattered site residential housing complex in Acadia Parish, for the purposes of providing affordable housing, in accordance with the terms and conditions of participation in the HOME Affordable Rental Housing Program. The Organization has an equity position of .005% in the partnership. However, as a general partner, the Organization is potentially liable for all the debts of the partnership.

On March 15, 2007, the Organization entered into a limited partnership known as South Church Point Subdivision Limited Partnership, as managing general partner. The partnership was formed to develop, build, own and operate a scattered site residential housing complex in Acadia Parish, for the purposes of providing affordable housing, in accordance with the terms and conditions of participation in the HOME Affordable Rental Housing Program. The Organization has an equity position of .005% in the partnership. However, as a general partner, the Organization is potentially liable for all the debts of the partnership.

In February 2013, the Organization (as a CHDO Developer) entered into a Development Services Agreement with James A. Herod Apartments, Inc. to renovate a public school building into 18 two-bedroom units to house residents in a substance abuse treatment program while helping them to mainstream back into society in Abbeville, La. Funding for the project is from Louisiana Housing Finance Agency, Federal Home Loan Bank of Dallas, HOME, and Louisiana Recovery Authority.

The Organization is paid for services provided to the partnerships. For the year ended December 31, 2017, the Organization received \$14,280 for these services.

(G) NOTES RECEIVABLE

In 2001, the Organization loaned \$30,000 that it received from USDA-Rural Development under The Rural Business Enterprise Grant (RBEG) Program. Funds under this program may only be loaned to approved entities and are non-transferable. To date, only \$3,861 in principal has been paid on the note, leaving a balance of \$26,139. The balance of the note has been fully reserved due to failure to receive payments and the bankruptcy of the debtor.

(H) CONCENTRATIONS OF CREDIT RISK

The Organization receives funding from the U.S. Department of Health and Human Services in the form of Community Services Block Grant funds that are passed through the Louisiana Department Labor, Office of Workforce Development. During 2017, the Organization received \$460,116 of Community Services Block Grants. This amount represents 52.1% of total revenues and support received by the Organization for the year ended December 31, 2017. A change in this funding could substantially affect the operations of the Organization.

THE ASSIST AGENCY, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

(I) RELATED PARTY TRANSACTION

In June 2008, Friends of ASSIST, a 501(c)(3) Organization sharing common management and board of directors with The ASSIST Agency, Inc., was formed. The ASSIST Agency, Inc. has advanced a total of \$145,805 in cash and organizational expense payments on behalf of the Friends of ASSIST. The Organization intends to collect the amount and it is therefore classified as a current asset.

(J) FINANCIAL INSTRUMENTS

Financial instruments that potentially subject The ASSIST Agency to concentrations of credit risk consist principally of temporary cash investments. The Organization places its temporary cash investments with high quality financial institutions. At times amounts may be in excess of FDIC insurance limits. As of December 31, 2017, the Organization had no significant concentrations of credit risk.

The fair values of The ASSIST Agency's financial instruments are as follows:

Cash and short-term investments, accounts receivable, accounts payable – The carrying amount approximates fair value because of the short-term nature of these instruments.

(K) NONCOMPLIANCE WITH GRANTOR RESTRICTIONS

Financial awards from federal, state, and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

(L) COMPENSATION OF BOARD MEMBERS

Members of the Board of Directors of the Organization received no compensation for services rendered as directors during 2017.

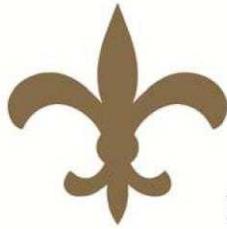
(M) COMPENSATION, BENEFITS AND OTHER PAYMENTS OF THE EXECUTIVE DIRECTOR

A detail of compensation, benefits, and other payments paid to Sharon Clement, Executive Director, for the year ended December 31, 2017, follows:

Salary	\$ 58,990
Retirement	1,770
Insurance	1,680
Travel reimbursements	<u>565</u>
Total	<u>\$ 63,005</u>

(N) SUBSEQUENT EVENTS

Subsequent events were evaluated through June 15, 2018, which is the date the financial statements were available to be issued.



J. Aaron Cooper , CPA, LLC

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

To the Board of Directors
The ASSIST Agency, Inc.
Crowley, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The ASSIST Agency, Inc. (a nonprofit organization), which is comprised of the statement of financial position as of December 31, 2017, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated June 15, 2018.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Organization'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 the Organization's internal control. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control.

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

My consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

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

A handwritten signature in blue ink that reads "J. Aaron Cozart, CPA, LLC". The signature is written in a cursive style.

Jennings, Louisiana
June 15, 2018

THE ASSIST AGENCY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017

I have audited the financial statements of The ASSIST Agency, Inc. as of and for the year ended December 31, 2017, and have issued my report thereon dated June 15, 2018. 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 Comptroller General of the United States. My audit of the financial statements of December 31, 2017 resulted in an unmodified opinion.

Section I Summary of Auditor's Reports

a. *Report on Internal Control and Compliance Material to the Financial Statements*

Internal Control

Significant Deficiencies	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Material Weaknesses	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Compliance

Noncompliance Material to Financial Statements	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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b. *Federal Awards – N/A*

Section II - Financial Statement Findings

None

Section III - Federal Awards Findings and Questioned Costs

None

THE ASSIST AGENCY, INC.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2017

Section I - Internal Control and Compliance Material to the Financial Statements

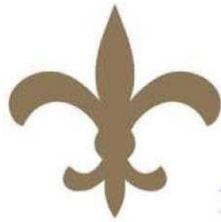
Not Applicable.

Section II - Internal Control and Compliance Material to Federal Awards

Not Applicable.

Section III - Management Letter

Not Applicable.



J. Aaron Cooper , CPA, LLC

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Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants.

Recipient of Advanced Single Audit Certificate

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The ASSIST Agency, Inc.
Crowley, Louisiana

I have performed the procedures enumerated below, which were agreed to by the The ASSIST Agency, Inc. and the Legislative Auditor, State of Louisiana, on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017, through December 31, 2017. The Entity's management is responsible for those control and compliance areas 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 the 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
 - 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.
 - c) ***Disbursements***, including processing, reviewing, and approving
 - d) ***Receipts***, including receiving, recording, and preparing deposits
 - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

- 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
- 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
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- 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.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The Agency maintains written policies for all areas except for credit cards and contracting. Ethics and debt service policies are not applicable.

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.
 - 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.
 - 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 Agency Board meets monthly. No meetings without a quorum were noted. The minutes documented discussions of the financial statements. There were references to non-budgetary financial information in the minutes during the year.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.
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;
 - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
 - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

All bank reconciliations were tested. The reconciliations were all prepared and properly approved. There were instances of stale-dated checks on several of the bank reconciliations, however, there was no documentation reflecting that those items were being investigated.

Collections

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

- 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.
 - 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.
7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined 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.

The Assist Agency collects very little cash manually. Most of the grant funding is wired directly to the Agency's bank account. All collections are handled at the main office. Per policy, all collections will be received by the Receptionist and logged on the daily cash log sheet which is then turned over to the Accounting Manager who prepares the deposit. The persons that handle cash are bonded. Receipts are used for cash collections. No exceptions were noted during testing of receipts.

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.
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.
 - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
 - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

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.
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.
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.
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.

I downloaded a listing of all disbursements and randomly selected 25 for testing (excluding credit card transactions). No exceptions were noted. The Agency utilizes a purchase order system. Only the Accounting Manager has authorization within the accounting system to add vendors. Signatories do not have a responsibility for initiating or recording purchases. Check stock is stored in a locked cabinet. The Agency does not utilize signature stamps.

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

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)
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
 - b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing policies and the Louisiana Public Bid Law and report any exceptions.
 - 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.

I obtained a listing of all credit cards (three cards, Visa, WalMart and Office Depot). Selected the Visa card for testing. I determined the month with the largest activity and performed the foregoing tests without exception.

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.
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.
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.

- 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.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
- 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.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

I downloaded a report from the accounting system of all travel reimbursements and selected three employees with the largest travel reimbursements. The largest reimbursement for each employee was selected for testing. No exceptions were noted during testing.

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

- 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.
- 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.
- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law.

I downloaded the check register from the accounting system and sorted by largest vendors. From that listing and discussion with the Accounting Manager, I identified the five largest contractors. No exceptions were noted during testing.

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

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.

I randomly selected 5 employees for testing of compensation paid. No exceptions were noted. For testing of leave documentation, I selected the month of December 2017. No exceptions were noted. I then downloaded a listing of employees who received severance pay during the year and agreed the two largest payments to the underlying documentation. Finally, using the general ledger I identified payments made during the year for retirement and payroll taxes and identified the related pay date. All payments were made timely.

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.
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.

Ethics not applicable; Agency is a nonprofit.

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

Debt service not applicable.

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.
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.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Management is not aware of any misappropriation of public funds or assets. Notice of the hotline information is posted on the employee bulletin board.

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

This report is intended solely for the use of management of The ASSIST Agency, Inc., the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

J. Aaron Cozart, CPA, LLC

June 15, 2018