

**ST. LANDRY PARISH
COMMUNITY ACTION AGENCY**

Opelousas, Louisiana

Financial Report

Year Ended July 31, 2018

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(A Corporation of Certified Public Accountants)

INDEPENDENT AUDITOR'S REPORT

Kirsten Thomas, Executive Director and
St. Landry Parish Community Action Agency
Opelousas, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of St. Landry Parish Community Action Agency, component unit of St. Landry Parish Government, as of and for the year ended July 31, 2018, and the related notes to the financial statements, which collectively comprise the St. Landry Parish Community Action Agency's basic financial statements as listed in the table of contents.

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

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

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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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the of St. Landry Parish Community Action Agency, as of July 31, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information, the schedule of proportionate share of net pension liability, and the schedule of contributions on pages 32-39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. Landry Parish Community Action Agency's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 15, 2019, on our consideration of the St. Landry Parish Community Action Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering St. Landry Parish Community Action Agency's internal control over financial reporting and compliance.

Dannall, Sikes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
January 15, 2019

ST. LANDRY PARISH COMMUNITY ACTION AGENCY

Statement of Net Position
July 31, 2018

ASSETS

	<u>Governmental Activities</u>
Current assets:	
Cash	\$ 34,146
Other receivables	<u>53,287</u>
Total current assets	<u>87,433</u>
Noncurrent assets:	
Capital assets, net	309,583
Net pension asset	<u>42,989</u>
Total noncurrent assets	<u>352,572</u>
Total assets	<u>\$ 440,005</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions	<u>\$ 77,522</u>
---------------------------------------	------------------

LIABILITIES

Current liabilities:	
Accounts payable	\$ 239,276
Payroll withholdings and accrued fringe benefits	34,749
Due to others	<u>89,245</u>
Total current liabilities	<u>363,270</u>
Noncurrent liabilities:	
Compensated absences	<u>36,485</u>
Total noncurrent liabilities	<u>36,485</u>
Total liabilities	<u>\$ 399,755</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pensions	<u>\$ 144,290</u>
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NET POSITION

Invested in capital assets, net of related debt	\$ 309,583
Restricted	148,546
Unrestricted	<u>(484,647)</u>
Total net position	<u>\$ (26,518)</u>

The accompanying notes are an integral part of this statement.

ST. LANDRY PARISH COMMUNITY ACTION AGENCY

Statement of Activities
Year Ended July 31, 2018

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets Total
	Expenses	Fees, Fines and Charges For Services	Operating Grants and Contributions	
Governmental activities:				
General government	\$ 4,923	\$ -	\$ -	\$ (4,923)
Health and welfare	<u>1,026,204</u>	<u>-</u>	<u>925,668</u>	<u>(100,536)</u>
Total governmental activities	<u>\$ 1,031,127</u>	<u>\$ -</u>	<u>\$ 925,668</u>	<u>\$ (105,459)</u>
General revenues:				
Interest				2
Other				<u>144,960</u>
Total general revenues				<u>144,962</u>
Increase in net position				39,503
Net position (deficit) beginning of year				<u>(66,021)</u>
Net position (deficit) end of year				<u>\$ (26,518)</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

ST. LANDRY PARISH COMMUNITY ACTION AGENCY

Balance Sheet
Governmental Funds
July 31, 2018

	<u>General</u>	<u>CSBG</u>	<u>Energy Assistance</u>	<u>Senior Companion</u>
ASSETS				
Cash	\$ 1,259	\$ -	\$ 17,648	\$ -
Due from other funds	92,991	4,400	166,764	43,561
Due from others	-	-	98	-
Other receivables	<u>181</u>	<u>21,508</u>	<u>1,151</u>	<u>3,644</u>
 Total assets	 <u>\$ 94,431</u>	 <u>\$ 25,908</u>	 <u>\$ 185,661</u>	 <u>\$ 47,205</u>
 LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ 15,537	\$ 11,061	\$ 199,898	\$ 576
Payroll withholdings and accrued fringe benefits	-	7,069	367	2,325
Due to other funds	305,656	5,307	9,200	17,400
Due to others	<u>43,520</u>	<u>21,895</u>	<u>-</u>	<u>22,710</u>
Total liabilities	<u>364,713</u>	<u>45,332</u>	<u>209,465</u>	<u>43,011</u>
 Fund balance:				
Restricted for:				
Transportation	-	-	-	-
Health and welfare	-	-	-	4,194
Unassigned	<u>(270,282)</u>	<u>(19,424)</u>	<u>(23,804)</u>	<u>-</u>
Total fund balances (deficits)	<u>(270,282)</u>	<u>(19,424)</u>	<u>(23,804)</u>	<u>4,194</u>
 Total liabilities and fund balances (deficits)	 <u>\$ 94,431</u>	 <u>\$ 25,908</u>	 <u>\$ 185,661</u>	 <u>\$ 47,205</u>

<u>Transportation</u>	<u>Other Governmental</u>	<u>Total</u>
\$ 14,554	\$ 685	\$ 34,146
183,855	19,524	511,095
6,463	-	6,561
<u>20,242</u>	<u>-</u>	<u>46,726</u>
<u>\$ 225,114</u>	<u>\$ 20,209</u>	<u>\$ 598,528</u>
\$ 4,652	\$ 7,552	\$ 239,276
24,347	641	34,749
65,469	108,063	511,095
-	1,120	89,245
<u>94,468</u>	<u>117,376</u>	<u>874,365</u>
130,646	-	130,646
-	-	-
-	13,706	17,900
-	(110,873)	(424,383)
<u>130,646</u>	<u>(97,167)</u>	<u>(275,837)</u>
<u>\$ 225,114</u>	<u>\$ 20,209</u>	<u>\$ 598,528</u>

The accompanying notes are an integral part of this statement.

ST. LANDRY PARISH COMMUNITY ACTION AGENCY

Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Position
Year Ended July 31, 2018

Total fund balances (deficits) for governmental funds at July 31, 2018		\$ (275,837)
Cost of capital assets at July 31, 2018	\$ 873,862	
Less: accumulated depreciation as of July 31, 2018	<u>(564,279)</u>	309,583
Elimination of interfund assets and liabilities -		
Due from other funds	511,095	
Due to other funds	<u>(511,095)</u>	-
Noncurrent assets at July 31, 2018 -		
Net pension asset		42,989
Long-term liabilities at July 31, 2018 -		
Compensated absences		(36,485)
Deferred outflows and inflows of resources at July 31, 2018:		
Deferred outflows of resources related to pensions	77,522	
Deferred inflows of resources related to pensions	<u>(144,290)</u>	<u>(66,768)</u>

The accompanying notes are an integral part of this statement.

ST. LANDRY PARISH COMMUNITY ACTION AGENCY

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 Year Ended July 31, 2018

	General	CSBG	Energy Assistance	Senior Companion
REVENUES				
Intergovernmental				
Federal	\$ -	\$ 343,699	\$ 89,347	\$ 326,072
State	-	-	-	-
Miscellaneous				
Other revenues	4,580	-	-	-
Interest	-	-	-	2
Total revenues	<u>4,580</u>	<u>343,699</u>	<u>89,347</u>	<u>326,074</u>
EXPENDITURES				
Current - General				
Government				
Personnel	-	184,584	59,044	296,995
Fringe benefits	-	46,443	12,831	17,706
Travel	-	2,254	334	8
Telephone	-	-	1,013	-
Office expense	73	21,436	6,545	2,827
Supplies	-	-	-	-
Insurance	-	4,646	-	-
Public assistance	-	-	1,670	-
Professional fees	750	22,500	12,150	2,577
Utilities	-	9,571	-	-
Vehicle repairs, maintenance and fuel	-	2,590	-	-
Other	3,717	46,704	7,616	3,929
Total expenditures	<u>4,540</u>	<u>340,728</u>	<u>101,203</u>	<u>324,042</u>
Excess (deficiency) of revenues over expenditures	<u>40</u>	<u>2,971</u>	<u>(11,856)</u>	<u>2,032</u>
Other financing sources (uses):				
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) revenues and other sources over expenditures and other uses	40	2,971	(11,856)	2,032
Fund balances (deficits), beginning of year	<u>(270,322)</u>	<u>(22,395)</u>	<u>(11,948)</u>	<u>2,162</u>
Fund balances (deficits), end of year	<u>\$ (270,282)</u>	<u>\$ (19,424)</u>	<u>\$ (23,804)</u>	<u>\$ 4,194</u>

<u>Transportation</u>	<u>Other Governmental</u>	<u>Totals</u>
\$ 120,423	\$ 45,763	\$ 925,304
-	364	364
136,074	-	140,654
-	-	2
<u>256,497</u>	<u>46,127</u>	<u>1,066,324</u>
143,710	-	684,333
32,072	-	109,052
1,209	-	3,805
-	-	1,013
-	-	30,881
1,151	-	1,151
16,474	-	21,120
-	-	1,670
6,520	422	44,919
4,272	30,522	44,365
48,580	-	51,170
20,398	15,241	97,605
<u>274,386</u>	<u>46,185</u>	<u>1,091,084</u>
<u>(17,889)</u>	<u>(58)</u>	<u>(24,760)</u>
<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>
(17,889)	(58)	(24,760)
<u>148,535</u>	<u>(97,109)</u>	<u>(251,077)</u>
<u>\$ 130,646</u>	<u>\$ (97,167)</u>	<u>\$ (275,837)</u>

The accompanying notes are an integral part of this statement.

ST. LANDRY PARISH COMMUNITY ACTION AGENCY

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended July 31, 2018

Total net change in fund balances for the year ended July 31, 2018	
Statement of Revenues, Expenditures and Changes in Fund Balances	\$ (24,760)
Depreciation expense for year ended July 31, 2018	(45,768)
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	119,801
Increase in compensated absences	(5,642)
Governmental funds report pension contributions as expenditures.	
However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.	
Pension contributions subsequent to the measurement date	23,263
Pension contributions during the measurement period	44,614
Excess contributions during the measurement period	(17,745)
Cost of benefits earned net of employee contributions	(77,640)
Amortization of excess contributions during the measurement period	19,074
Some revenues reported in the statement of activities do not provide current financial resources in governmental funds:	
Non employer pension contributions	<u>4,306</u>
Total change in net position for the year ended July 31, 2018 per Statement of Activities	<u>\$ 39,503</u>

The accompanying notes are an integral part of this statement.

ST. LANDRY PARISH COMMUNITY ACTION AGENCY

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the St. Landry Parish Community Action Agency (Agency) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989, have been applied unless those pronouncements conflict with or contract GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

FINANCIAL REPORTING ENTITY

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of St. Landry Parish Community Action Agency for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Agency to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Agency.
2. Organizations for which the Agency does not appoint a voting majority but are fiscally dependent on the Agency.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

St. Landry Parish Community Action Agency is considered to be a component unit of the St. Landry Parish Government. The Agency is fiscally dependent on the Parish Government even though the Parish Government does not appoint a voting majority of the Agency's governing body. The basic entity being reported on in the St. Landry Parish Community Action Agency's financial report includes all funds over which the Agency exercises oversight responsibility. This responsibility includes financial interdependency, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

ST. LANDRY PARISH COMMUNITY ACTION AGENCY

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF PRESENTATION

Government-Wide Financial Statements (GWFS):

The government-wide financial statements include a *Statement of Net Position* and *Statement of Activities*. These statements report financial information about the Agency. In the process of aggregating data for the *Statement of Net Position* and *Statement of Activities* some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the “grossing up” effect on assets and liabilities within the governmental activities column.

In the *Statement of Net Position* the governmental type activities column (1) is presented on a consolidated basis by column, and (2) is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Agency’s net position is reported in three parts: (1) *invested in capital assets, net of related debt* – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets; (2) *restricted net position* – consists of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (b) law through constitutional provisions or enabling legislation; and (3) *unrestricted net position* – all other net assets that do not meet the definition of *restricted* or *invested in capital assets, net of related debt*. The Agency first utilizes restricted resources to finance qualifying activities.

The *Statement of Activities* reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses associated with a distinct functional activity. Program revenues includes: (1) charges for services which report fees, fines, and forfeitures, and other charges to users of the Agency’s services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. Other revenue sources not properly included with program revenues are reported as general revenues.

The Agency reports all direct expenses by function in the *Statement of Activities*. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included as a direct expense of each function.

This government-wide focus is more on the sustainability of the Agency as an entity and the change in the Agency’s net position resulting from the current year’s activities.

ST. LANDRY PARISH COMMUNITY ACTION AGENCY

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements:

The accounts of St. Landry Parish Community Action Agency are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The various funds of the Agency are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major governmental and fiduciary funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Agency or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or fiduciary fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or fiduciary fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Governmental Funds

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The following special revenue funds are considered major:

Community Services Block Grant (CSBG)

The Community Services Block Grant program provided services and activities having a measurable and potential major impact on causes of poverty in the community or those areas of the community where poverty is a particularly acute problem; to obtain and maintain adequate housing and a suitable living environment; and to provide on an emergency basis for the provisions of such supplies and services, nutritious foodstuffs, and related services, as may be necessary to counteract conditions of starvation and malnutrition among the poor.

ST. LANDRY PARISH COMMUNITY ACTION AGENCY

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Low-Income Home Energy Assistance

The Low-income Home Energy Assistance program provides utility assistance to eligible low-income families.

Senior Companion

The Senior Companion Program provides volunteer opportunities for low-income individuals aged sixty and older which enhance their ability to remain active and provide critically needed community services; to provide long-term care by assisting adults, primarily older individuals with mental, emotional, and physical impairments, to achieve and maintain their fullest potential.

Transportation

The Transportation Fund accounts for the local transportation activities and funding is provided by the United States Department of Transportation through the Louisiana Department of Transportation and Development, which in turn passes these funds to the Agency via St. Landry Parish Government. Funds earned and received by the Agency are based on actual operating costs of providing transportation services to rural residents within the parish. The Fund also accounts for funding received from local contracts that provide non-emergency medical transportation and access to Human Service Agencies for the elderly and disabled.

Additionally, the Agency reports the following non-major funds:

Emergency Food and Shelter

The Emergency Food and Shelter program provides for the purchase of food and shelter, to supplement and extend available resources.

Medicaid

The Medicaid Program provides a means for disadvantaged individuals to apply for medical assistance.

Project Care

The Project Care Program provides direct payments to home energy suppliers on behalf of eligible households. Funds are derived from local contributions.

Special Fund

The Special Fund is used to account for resources and expenditures which are not required to be accounted for in another fund.

ST. LANDRY PARISH COMMUNITY ACTION AGENCY

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements.

On the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objective of this measurement focus is the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.
- c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

BASIS OF ACCOUNTING

Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liabilities is incurred, as under accrual accounting.

ST. LANDRY PARISH COMMUNITY ACTION AGENCY

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CASH AND INVESTMENTS

Louisiana statutes authorize the Agency to invest in direct United States Treasury obligations; bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies and backed by the United States; bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by United States government instrumentalities, which are federally sponsored; and certificates of deposits.

Bank deposits must be secured by federal depository insurance or the pledge of securities owned by the bank. The market value of the pledged securities must at all times equal or exceed 100 percent of the uninsured amount on deposit with the bank.

At July 31, 2018, the carrying amount of the Agency's deposits was \$34,146. The bank balance of cash was \$58,094, all of which is covered by federal depository insurance.

PROGRAM REVENUES

Program revenues included in the Statement of Activities are derived from the program itself or from parties outside St. Landry Parish Community Action Agency's clients, as a whole; program revenues reduce the cost of the function to be financed from the Agency's general revenues.

EQUITY CLASSIFICATIONS

In the government-wide statements, equity is classified as net position and displayed in three components:

1. Invested in capital assets, net of related debt – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position – consist of net position with constraints placed on the use either by (1) external group, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position – all other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

ST. LANDRY PARISH COMMUNITY ACTION AGENCY

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund financial statements -

Governmental fund equity is classified as fund balance. GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures as being nonspendable as this item is not expected to be converted to cash.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of resources are either:
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Agency's Board. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Board did not have any committed resources as of year-end.
- **Assigned:** This classification includes amounts that are constrained by the Board's intent to be used for a specific purpose but are neither restricted nor committed. This intent should be expressed by the St. Landry Parish Community Action Agency Board or Executive Director.
- **Unassigned:** This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

When fund balance resources are available for a specific purpose in multiple classifications, the Agency will generally use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, the Agency's management reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

ST. LANDRY PARISH COMMUNITY ACTION AGENCY

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INTERFUND RECEIVABLES AND PAYABLES

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds.” Short-term interfund loans are reported as “interfund receivables and payables.” Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

The Agency adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB Statement No. 63 introduced and defined deferred outflows of resources and deferred inflows of resources as consumption and an acquisition, respectively, of net assets by the government that is applicable to a future reporting period. It also identifies net position, rather than net assets, as the residual of all elements presented in a statement of net position.

CAPITAL ASSETS

The accounting treatment over property, plant and equipment (capital assets) depends on whether they are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Prior to GASB No. 34, governments were not required to report general infrastructure assets. The Agency has no infrastructure assets.

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated assets, which are recorded at their estimated fair value at the date of donation. The Agency maintains a threshold level of \$250 or more for capitalizing capital assets.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets’ estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of assets is as follows:

Buildings and improvements	20 - 40 years
Furniture and equipment	5 - 25 years
Vehicles	5 - 15 years

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Interest costs on construction, if any, are not capitalized.

ST. LANDRY PARISH COMMUNITY ACTION AGENCY

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ENCUMBRANCES

Encumbrance accounting is not used by the Agency.

BUDGET AND BUDGETARY ACCOUNTING

The Agency prepares a budget for its General and Special Revenue Funds on the modified accrual basis of accounting.

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

PENSIONS

The Agency implemented GASB Statement No. 68 “Accounting and Financial Reporting for Pensions”. This pronouncement requires the Agency to calculate and recognize a net pension liability at July 31, 2018. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Parochial Employee Retirement System (PERS) and additions to /deductions from the PERS fiduciary net position have been determined on the same basis as they are reported by the PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 12 for further details.

NOTE 2 INTERFUND RECEIVABLES PAYABLES

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General fund	\$ 92,991	\$ 305,656
<u>Special Revenue Funds</u>		
Senior Companion - Main	42,061	17,400
Senior Companion - State and Local	1,500	-
Medicaid	-	55,893
Special Fund	1,452	47,692
Low-income Home Energy Assistance	166,764	9,200
Transportation	109,923	-
Section 18	73,932	65,469
Project Care	15,142	2,000
Emergency Food and Shelter	2,930	2,478
Community Services Block Grant	<u>4,400</u>	<u>5,307</u>
Total	<u>\$ 511,095</u>	<u>\$ 511,095</u>

ST. LANDRY PARISH COMMUNITY ACTION AGENCY

Notes to Financial Statements

NOTE 3 CAPITAL ASSETS AND DEPRECIATION

Capital assets and depreciation activity as of and for the year ended July 31, 2018 are as follows:

	<u>Balances</u> 7/31/2017	<u>Additions</u>	<u>Disposals</u>	<u>Balances</u> 7/31/2018
Governmental activities				
Buildings	\$ 157,526	\$ -	\$ -	\$ 157,526
Equipment	60,050	-	-	60,050
Office equipment	291,893	-	-	291,893
Vehicles	<u>294,689</u>	<u>119,801</u>	<u>50,097</u>	<u>364,393</u>
Totals at historical cost	<u>804,158</u>	<u>119,801</u>	<u>50,097</u>	<u>873,862</u>
Less accumulated depreciation				
Buildings	(42,007)	(10,502)	-	(52,509)
Equipment	(53,201)	(6,320)	-	(59,521)
Office equipment	(283,575)	(2,365)	-	(285,940)
Vehicles	<u>(185,813)</u>	<u>(26,581)</u>	<u>46,085</u>	<u>(166,309)</u>
Total accumulated depreciation	<u>(564,596)</u>	<u>(45,768)</u>	<u>46,085</u>	<u>(564,279)</u>
Governmental activities				
Capital assets, net	<u>\$ 239,562</u>	<u>\$ 74,033</u>	<u>\$ 4,012</u>	<u>\$ 309,583</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 383
Health and welfare	<u>45,385</u>
Total	<u>\$ 45,768</u>

NOTE 4 CHANGES IN LONG-TERM DEBT

Full-time employees earn annual leave at the rate of 5 to 15 days per year, depending upon length of service. A maximum of 5 days of unused annual leave may be carried over from year to year.

Upon termination, employees are paid for unused annual leave at the employee's current rate of pay or an hourly rate of pay or an hourly rate which is an average of the three highest years of employees earn sick leave at the rate of 8 days per year. A maximum of 90 days of unused sick leave may be carried over from year to year. Accumulated sick leave is forfeited upon termination.

As of July 31, 2018, employees of the Agency had accumulated and vested \$36,485 of employee leave benefits computed in accordance with GASB Codification Section C 60. No employees are expected to retire within the next year, so the entire compensated absences balance is classified as long-term.

ST. LANDRY PARISH COMMUNITY ACTION AGENCY

Notes to Financial Statements

NOTE 4 CHANGES IN LONG-TERM DEBT (Continued)

The following is a summary of the long-term debt transactions for the year ended July 31, 2018:

	<u>Balances 7/31/2017</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balances 7/31/2018</u>
Compensated absences	<u>\$ 42,127</u>	<u>\$ 36,485</u>	<u>\$ 42,127</u>	<u>\$ 36,485</u>
Total	<u>\$ 42,127</u>	<u>\$ 36,485</u>	<u>\$ 42,127</u>	<u>\$ 36,485</u>

NOTE 5 LETTER OF CREDIT

An irrevocable letter of credit was issued by the Louisiana Workforce Commission, in favor of St. Landry Community Action Agency, Inc., in the amount of \$397,525 at July 31, 2018. The letter of credit obligates funds in executing the authorized Community Services Block Grant (CSBG) program in accordance with the associated contract.

NOTE 6 FUND BALANCES – GOVERNMENTAL FUNDS

As of July 31, 2018, fund balance components other than unassigned fund balances consist of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
Emergency Food	\$ -	\$ 452	\$ -	\$ -
Senior Companion	-	4,194	-	-
Project Care	-	13,254	-	-
Transportation	-	130,646	-	-
Total	<u>\$ -</u>	<u>\$ 148,546</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 7 DEFICITS IN INDIVIDUAL FUNDS

The following funds reflected a deficit fund balance at July 31, 2018:

General Fund	\$ 270,282
Special revenue funds	
Community Services Block Grant	19,424
Energy Assistance	23,804
Medicaid	56,097
Special Fund	54,776

The deficit fund balances will be eliminated in future years by reducing expenditures or obtaining additional funding.

ST. LANDRY PARISH COMMUNITY ACTION AGENCY

Notes to Financial Statements

NOTE 8 REVENUES

Community Action Agency derives most of its revenues from grants. The grants come from federal and state agencies, as well as, from other organizations. These revenues are used to fund programs consistent with grant agreements.

NOTE 9 BOARD MEMBERS

During the year ended July 31, 2018, the following individuals served on the St. Landry Parish Community Action Agency’s Advisory Board of Directors:

Mary Doucet	Romona Fruge
Laura Balthazar	Dustin Miller
Shane Gerrard	Ginger LeCompte
Romona Olivier	Norman Renee
Michael Coscino	Willie Godchaux
Carolyn Thomas	Decole Stelly
Dr. Joseph Guillory	Catherine Papillion
Reginal Tatum	Mark Guillory
Doretha Veazie	Marie Pickney

Board members do not receive any compensation.

NOTE 10 COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD

A detail of compensation, benefits, and other payments made to Executive Director Kirsten Thomas for the year ended July 31, 2018 follows:

Purpose	Amount
Salary	\$ 52,075
Benefits - Insurance	2,137
Benefits - Retirement	4,947
Benefits - Gym membership	482
Registration fees	249
Cell phone	1,013
Travel	2,854
Miscellaneous office reimbursements	<u>3,595</u>
Total	<u>\$ 67,352</u>

NOTE 11 CONTINGENCIES

No accrual for potential contingent liabilities have been asserted, and; therefore, no estimate of loss, if any, is determinable. Examination reports by program agencies may reveal that the Agency is contingently liable for retroactive remuneration of grant funding following their respective assessments of compliance with statutes, regulations, and contract terms of the respective programs. The amount of such adjustments cannot be readily determined.

ST. LANDRY PARISH COMMUNITY ACTION AGENCY

Notes to Financial Statements

NOTE 12 PENSION PLAN

Plan Description

Substantially all of the Agency's employees are members of the Parochial Employees' Retirement System of Louisiana. In addition to employee payroll deductions, the Agency's funds are remitted to the retirement system and are recorded as expenditures.

The retirement system is a cost-sharing multiple-employer, statewide defined benefit retirement system which is administered and controlled by a separate board of trustees and was established and provided for by R.S.11:1901 of the Louisiana Revised Statute (LRS). Contributions of participating agencies are pooled within the system to fund accrued benefits, with contribution rates approved by the Louisiana legislature. The Agency does not guarantee the benefits granted by the retirement system. The payroll qualified to be covered by the system for the year ended July 31, 2018 was approximately \$376,197.

Employees hired prior to January 1, 2007 are eligible for normal retirement if they have at least 30 years of creditable service regardless of age, 25 years of creditable service and are at least age 55, or 10 years of creditable service and are at least age 60, or 7 years of creditable service and are at least age 65. Employees hired after January 1, 2007 are eligible for normal retirement if they have at least 30 years of creditable service and are at least 55, or 10 years of creditable service and are at least age 62, or 7 years of creditable service and are at least 67.

Benefit rates are 1 percent of financial compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) plus \$2.00 per month for each year of service credited prior to January 1, 1980, and 3 percent of final compensation for each year of service after January 1, 1980.

Upon the death of any member with 5 or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes. For any member who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes. A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve months immediately preceding death of the member, shall be paid and Option 2 benefit beginning at age 50.

A member is eligible to retire and receive disability benefits if he has at least 5 years of creditable service, is not eligible for normal retirement and suffers disability which has been certified by the State Medical Disability Board. The rate is 3 percent of the member's final compensation multiplied by his years of creditable service under certain conditions outlined in the statutes.

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member who is eligible to retire may elect to participate in the (DROP) in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the

ST. LANDRY PARISH COMMUNITY ACTION AGENCY

Notes to Financial Statements

NOTE 12 PENSION PLAN (Continued)

DROP fund. Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

For individuals who become eligible to participate in the Deferred Retirement Option Plan on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

A plan member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty.

The Board of Trustees is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (R.S. 11:1937). Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Funding Policy

According to state statute, contributions for all employers are actuarially determined each year. Covered employees were required by state statute to contribute 9.35% of their salary to the plan from August, 2017 to July, 2018. The Agency was required by the same statute to contribute 12.50% from August 2017 to July 2018. The Agency contribution requirements for the years ended July 31, 2018, 2017, and 2016 were \$42,574, \$42,882, and \$43,525, respectively.

According to state statute, the System also receives ¼ of 1% of ad valorem taxes collected within the respective parish. The System also receives revenue sharing funds each year as appropriated

ST. LANDRY PARISH COMMUNITY ACTION AGENCY

Notes to Financial Statements

NOTE 12 PENSION PLAN (Continued)

by the Legislature. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At July 31, 2018, the Agency reported an asset of \$42,989 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Agency's proportion of the net pension asset was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2017, the Agency's proportion was 0.057918%, which was a decrease of 0.001278% from its proportion measured as of December 31, 2016.

For the year ended July 31, 2018, the Agency recognized pension expense of \$42,574. The Agency recognized revenue of \$4,306 as its proportionate share of non-employer contributions for the year ended July 31, 2018.

At July 31, 2018, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 27,828
Net difference between projected and actual investment earnings on pension plan investments	-	99,317
Changes of assumptions	54,259	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	17,145
Employer contributions subsequent to the measurement date	<u>23,263</u>	<u>-</u>
Total	<u>\$ 77,522</u>	<u>\$ 144,290</u>

Agency contributions subsequent to the measurement date in the amount of \$23,263 reported as deferred outflows of resources related to pensions will be recognized as a reduction of the net pension liability during the year ending July 31, 2018.

ST. LANDRY PARISH COMMUNITY ACTION AGENCY

Notes to Financial Statements

NOTE 12 PENSION PLAN (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending July 31,</u>	
2017	\$ (12,816)
2018	(17,145)
2019	(38,451)
2020	<u>(21,619)</u>
Total	<u>\$ (90,031)</u>

Actuarial Assumptions

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	December 31, 2017
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Investment rate of return	6.75% (Net of investment expense)
Projected salary increases	5.25% (2.75% Merit/2.50% Inflation)
Mortality rates	RP-2000 Employee Sex Distinct Table selected for active members. RP-2000 Healthy Annuitant Sex Distinct Table selected for healthy annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table selected for disabled annuitants.
Expected remaining service lives	4 years
Cost of living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2004 through December 31, 2009. The data was then assigned credibility weighing and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

ST. LANDRY PARISH COMMUNITY ACTION AGENCY

Notes to Financial Statements

NOTE 12 PENSION PLAN (Continued)

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification.

The resulting expected long-term rate of return is 7.62% for the year ended December 31, 2017.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2017 are summarized in the following table:

Asset Class	Expected Rate of Return	
	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed income	35%	1.24%
Equity	52%	3.57%
Alternatives	11%	0.69%
Real assets	<u>2%</u>	<u>0.12%</u>
Totals	<u>100%</u>	<u>5.62%</u>
Inflation		<u>2.00%</u>
Expected Arithmetic Nominal Return		<u>7.62%</u>

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement System's Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

ST. LANDRY PARISH COMMUNITY ACTION AGENCY

Notes to Financial Statements

NOTE 12 PENSION PLAN (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.75%, as well as what the employer's net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.75% or one percentage point higher 7.75% that the current rate.

	Discount rate	Net pension (asset) liability
1% decrease	5.75%	\$ 211,951
Current discount rate	6.75%	\$ (42,989)
1% increase	7.75%	\$ (258,413)

The Parochial Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Parochial Employees' Retirement System of Louisiana, P.O. Box 14619, Baton Rouge, Louisiana, 70898-4619 or by calling (225)928-1361.

NOTE 13 OTHER POST-EMPLOYMENT BENEFITS

The Agency does not provide any post-employment benefits to retirees other than pension and; therefore, is not required to report under GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*.

NOTE 14 SUBSEQUENT EVENTS

Subsequent events were evaluated through January 15, 2019, which is the date the financial statements were available to be issued. As of July 31, 2018, there were no subsequent events noted.

REQUIRED SUPPLEMENTAL INFORMATION

ST. LANDRY PARISH COMMUNITY ACTION AGENCY
Opelousas, Louisiana
General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP-Basis) and Actual
Year Ended July 31, 2018

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Intergovernmental				
Miscellaneous				
Other	\$ 4,000	\$ 4,000	\$ 4,580	\$ 580
Total revenues	4,000	4,000	4,580	580
EXPENDITURES				
Current - General government				
Professional	-	-	750	(750)
Office expense	500	500	73	427
Miscellaneous	3,500	3,500	3,717	(217)
Total expenditures	4,000	4,000	4,540	(540)
Excess (deficiency) of revenues over expenditures	-	-	40	40
Other financing sources:				
Operating transfers out	-	-	-	-
Total other financing sources	-	-	-	-
Excess revenues and other sources over expenditures and other uses	-	-	40	40
Fund balances (deficit), beginning of year	-	-	(270,322)	(270,322)
Fund balances (deficit), end of year	\$ -	\$ -	\$ (270,282)	\$ (270,282)

ST. LANDRY PARISH COMMUNITY ACTION AGENCY
Opelousas, Louisiana
Community Services Block Grant

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended July 31, 2018

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Intergovernmental				
Federal	\$ 398,983	\$ 398,983	\$ 343,699	\$ (55,284)
Other	-	-	-	-
Total revenues	<u>398,983</u>	<u>398,983</u>	<u>343,699</u>	<u>(55,284)</u>
EXPENDITURES				
Current - General government				
Personnel	194,984	194,984	184,584	10,400
Fringe benefits	48,000	48,000	46,443	1,557
Travel	3,000	3,000	2,254	746
Other	<u>152,999</u>	<u>152,999</u>	<u>107,447</u>	<u>45,552</u>
Total expenditures	<u>398,983</u>	<u>398,983</u>	<u>340,728</u>	<u>58,255</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>2,971</u>	<u>2,971</u>
Other financing sources:				
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues and other sources over expenditures and other uses	-	-	2,971	2,971
Fund balances (deficit), beginning of year	<u>(22,395)</u>	<u>(22,395)</u>	<u>(22,395)</u>	<u>-</u>
Fund balances (deficit), end of year	<u>\$ (22,395)</u>	<u>\$ (22,395)</u>	<u>\$ (19,424)</u>	<u>\$ 2,971</u>

ST. LANDRY PARISH COMMUNITY ACTION AGENCY
Opelousas, Louisiana
Low-Income Home Energy Assistance

Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget (GAAP Basis) and Actual
Year Ended July 31, 2018

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Intergovernmental				
Federal	\$ 88,850	\$ 88,850	\$ 89,347	\$ 497
Total revenues	<u>88,850</u>	<u>88,850</u>	<u>89,347</u>	<u>497</u>
EXPENDITURES				
Current - General Government				
Personnel	51,228	51,228	59,044	(7,816)
Fringe benefits	12,500	12,500	12,831	(331)
Travel	700	700	334	366
Professional	12,000	12,000	12,150	(150)
Telephone	960	960	1,013	(53)
Office expense	4,692	4,692	6,545	(1,853)
Public assistance	1,622	1,622	1,670	(48)
Other	5,148	5,148	7,616	(2,468)
Total expenditures	<u>88,850</u>	<u>88,850</u>	<u>101,203</u>	<u>(12,353)</u>
Excess (deficiency) of revenues over expenditures	-	-	(11,856)	(11,856)
Other financing sources:				
Operating transfers out	-	-	-	-
Total other financing sources	-	-	-	-
Excess revenues and other sources over expenditures and other uses	-	-	(11,856)	(11,856)
Fund balances (deficit), beginning of year	-	-	(11,948)	(11,948)
Fund balances (deficit), end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (23,804)</u>	<u>\$ (23,804)</u>

ST. LANDRY PARISH COMMUNITY ACTION AGENCY
Opelousas, Louisiana
Senior Companion

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended July 31, 2018

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Intergovernmental				
Federal	\$ 318,885	\$ 318,885	\$ 326,072	\$ 7,187
Miscellaneous				
Interest	-	-	2	2
Other	-	-	-	-
Total revenues	<u>318,885</u>	<u>318,885</u>	<u>326,074</u>	<u>7,189</u>
EXPENDITURES				
Current - General Government				
Personnel	287,444	287,444	296,995	(9,551)
Fringe benefits	18,000	18,000	17,706	294
Travel	910	910	8	902
Office supplies	1,475	1,475	2,827	(1,352)
Professional	7,500	7,500	2,577	4,923
Other	3,556	3,556	3,929	(373)
Total expenditures	<u>\$ 318,885</u>	<u>\$ 318,885</u>	<u>\$ 324,042</u>	<u>\$ (5,157)</u>
Excess (deficiency) of revenues over expenditures	-	-	2,032	2,032
Other financing sources:				
Operating transfers out	-	-	-	-
Total other financing uses	-	-	-	-
Excess revenues and other sources over expenditures and other uses	-	-	2,032	2,032
Fund balances (deficit), beginning of year	<u>2,161</u>	<u>2,161</u>	<u>2,162</u>	<u>1</u>
Fund balances (deficit), end of year	<u>\$ 2,161</u>	<u>\$ 2,161</u>	<u>\$ 4,194</u>	<u>\$ 2,033</u>

ST. LANDRY PARISH COMMUNITY ACTION AGENCY
Opelousas, Louisiana
Transportation

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended July 31, 2018

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Intergovernmental				
Federal	\$ 204,717	\$ 204,717	\$ 120,423	\$ (84,294)
Miscellaneous				
Other	<u>62,000</u>	<u>62,000</u>	<u>136,074</u>	<u>74,074</u>
Total revenues	<u>266,717</u>	<u>266,717</u>	<u>256,497</u>	<u>(10,220)</u>
EXPENDITURES				
Current - General Government				
Personnel	144,460	144,460	143,710	750
Fringe benefits	32,000	32,000	32,072	(72)
Supplies	690	690	1,151	(461)
Professional	5,500	5,500	6,520	(1,020)
Utilities	1,200	1,200	4,272	(3,072)
Travel	870	870	1,209	(339)
Insurance	9,000	9,000	16,474	(7,474)
Vehicle repairs, maintenance	67,469	67,469	48,580	18,889
Other	<u>5,528</u>	<u>5,528</u>	<u>20,398</u>	<u>(14,870)</u>
Total expenditures	<u>266,717</u>	<u>266,717</u>	<u>274,386</u>	<u>(7,669)</u>
Excess (deficiency) of revenues over expenditures	-	-	(17,889)	(17,889)
Other financing sources:				
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues and other sources over expenditures and other uses	-	-	(17,889)	(17,889)
Fund balances (deficit), beginning of year	<u>148,535</u>	<u>148,535</u>	<u>148,535</u>	<u>-</u>
Fund balances (deficit), end of year	<u>\$ 148,535</u>	<u>\$ 148,535</u>	<u>\$ 130,646</u>	<u>\$ (17,889)</u>

ST. LANDRY PARISH COMMUNITY ACTION AGENCY
Opelousas, Louisiana

Notes to Budgetary Comparison Schedules
Year Ended July 31, 2018

NOTE 1 BUDGETARY REPORTING

The Governmental Accounting Standards Board (GASB) Statement 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has a legally adopted annual budget. The schedules compare the original and final appropriated budgets to actual budget results for the Council's fiscal year. Positive and negative variances between the final budget and actual amounts are also presented.

The budget information presented in this section of required supplementary information applies to "major" governmental funds for which annual budgets were adopted. Budgetary information for "Nonmajor" funds has not been included anywhere in these financial statements.

The Agency follows these procedures in establishing the budgetary data that has been presented as required supplementary information in these financial statements.

- Management makes revenue projections based on the revenue information provided by grants from other agencies, program service fees, public support (including client contributions), interest income, and other miscellaneous sources.
- Management develops expenditure projections using historical information and changes to the upcoming year that management is aware of at the time of budget preparation.
- Once the information has been obtained to project revenues and expenditures, the Agency's Executive Director and Finance Director prepare a proposed budget based on the projections. The proposed budget is submitted to the Board of Directors for final approval.
- The Board of Directors reviews and adopts the budget for the next fiscal year at a regularly scheduled board of directors meeting before June 30 of the current fiscal year.
- The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.
- Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. During the fiscal year, management amended the Agency's budget at a board meeting, using a procedure similar to the one used to approve the original budget.
- Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
- State Law requires the Agency to amend its budget in cases where actual costs for a particular line item exceed the budgeted amount by more than 5%.
- Expenditures cannot exceed budgeted revenues on an individual fund level, unless a large enough fund balance exists to absorb the budgeted operating deficit.

ST. LANDRY PARISH COMMUNITY ACTION AGENCY
Opelousas, Louisiana

Schedule of Proportionate Share of Net Pension Liability
Year Ended July 31, 2018

Year Ended July 31,	Proportion of the net pension liability	Proportionate share of the net pension asset (liability)	Covered employee payroll	Share of the net pension liability as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total pension asset (liability)
2015	0.072669%	\$ (19,868)	\$ 366,707	5.42%	-99.15%
2016	0.056696%	\$ (149,241)	\$ 330,929	45.10%	-92.23%
2017	0.059196%	\$ (121,914)	\$ 338,103	36.06%	-94.15%
2018	0.057918%	\$ 42,989	\$ 376,197	11.42%	101.98%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

ST. LANDRY PARISH COMMUNITY ACTION AGENCY
Opelousas, Louisiana

Schedule of Contributions
Year Ended July 31, 2018

Year Ended July 31,	Statutorily required contribution	Contributions relative to statutorily required contribution	Contribution deficiency (excess)	Covered employee payroll	Contribtions as a percentage of covered employee payroll
2015	\$ 58,780	\$ 58,780	\$ -	\$ 366,707	16.0%
2016	\$ 43,525	\$ 43,525	\$ -	\$ 330,929	13.2%
2017	\$ 42,882	\$ 42,882	\$ -	\$ 338,103	12.7%
2018	\$ 42,574	\$ 42,574	\$ -	\$ 376,197	11.3%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

OTHER SUPPLEMENTARY INFORMATION

ST. LANDRY PARISH COMMUNITY ACTION AGENCY
Opelousas, Louisiana
Nonmajor Special Revenue Funds

Combining Balance Sheet
Year Ended July 31, 2018

	Emergency Food & Shelter	Medicaid	Project Care	Special Fund	Total
ASSETS					
Cash	\$ -	\$ 573	\$ 112	\$ -	\$ 685
Due from other funds	<u>2,930</u>	<u>-</u>	<u>15,142</u>	<u>1,452</u>	<u>19,524</u>
Total assets	<u>\$ 2,930</u>	<u>\$ 573</u>	<u>\$ 15,254</u>	<u>\$ 1,452</u>	<u>\$ 20,209</u>
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 7,552	\$ 7,552
Payroll withholdings and accrued fringe benefits	-	641	-	-	641
Due to other funds	2,478	55,893	2,000	47,692	108,063
Due to others	<u>-</u>	<u>136</u>	<u>-</u>	<u>984</u>	<u>1,120</u>
Total liabilities	<u>2,478</u>	<u>56,670</u>	<u>2,000</u>	<u>56,228</u>	<u>117,376</u>
Fund balance:					
Restricted for:					
Health and welfare	452	-	13,254	-	13,706
Unassigned	<u>-</u>	<u>(56,097)</u>	<u>-</u>	<u>(54,776)</u>	<u>(110,873)</u>
Total fund balances (deficits)	<u>452</u>	<u>(56,097)</u>	<u>13,254</u>	<u>(54,776)</u>	<u>(97,167)</u>
Total liabilities and fund balances (deficits)	<u>\$ 2,930</u>	<u>\$ 573</u>	<u>\$ 15,254</u>	<u>\$ 1,452</u>	<u>\$ 20,209</u>

ST. LANDRY PARISH COMMUNITY ACTION AGENCY
Opelousas, Louisiana
Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Year Ended July 31, 2018

	Emergency Food & Shelter	Medicaid	Project Care	Special Fund	Total
REVENUES					
Intergovernmental					
Federal	\$ 45,763	\$ -	\$ -	\$ -	\$ 45,763
State	-	364	-	-	364
Miscellaneous					
Other revenues	-	-	-	-	-
Total revenues	<u>45,763</u>	<u>364</u>	<u>-</u>	<u>-</u>	<u>46,127</u>
EXPENDITURES					
Current - General					
Government					
Utilities	30,522	-	-	-	30,522
Professional fees	-	422	-	-	422
Other	15,241	-	-	-	15,241
Total expenditures	<u>45,763</u>	<u>422</u>	<u>-</u>	<u>-</u>	<u>46,185</u>
Excess (deficiency) of revenues					
Over (under) expenditures	<u>-</u>	<u>(58)</u>	<u>-</u>	<u>-</u>	<u>(58)</u>
Other financing (uses)					
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(58)	-	-	(58)
Fund balances (deficits), beginning of year	<u>452</u>	<u>(56,039)</u>	<u>13,254</u>	<u>(54,776)</u>	<u>(97,109)</u>
Fund balances (deficits), end of year	<u>\$ 452</u>	<u>\$ (56,097)</u>	<u>\$ 13,254</u>	<u>\$ (54,776)</u>	<u>\$ (97,167)</u>

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER GRANT 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
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Kirsten Thomas, Executive Director and
 St. Landry Parish Community Action Agency
 Opelousas, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of St. Landry Parish Community Action Agency as of and for the year ended July 31, 2018, and the related notes to the financial statements, which collectively comprise St. Landry Parish Community Action Agency's basic financial statements and have issued our report thereon dated January 15, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered St. Landry Parish Community Action 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of St. Landry Parish Community Action Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of St. Landry Parish Community Action 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.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether St. Landry Parish Community Action Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as items 2018-001.

St. Landry Parish Community Action Agency's Response to Findings

St. Landry Parish Community Action Agency's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. St. Landry Parish Community Action Agency's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

This report is intended solely for the information and use of management, federal awarding agencies, pass-through entities and the Legislative Auditor 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.

Dannall, Sikes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana

January 15, 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

Kirsten Thomas, Executive Director and
 St. Landry Parish Community Action Agency
 Opelousas, Louisiana

Report on Compliance for Each Major Federal Program

We have audited St. Landry Parish Community Action Agency's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have direct and material effect on each of St. Landry Parish Community Action Agency's major federal programs for the year ended July 31, 2018. St. Landry Parish Community Action 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of St. Landry Parish Community Action Agency's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our 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 we 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 St. Landry Parish Community Action Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of St. Landry Parish Community Action Agency's compliance.

Opinion on Each Major Federal Program

In our opinion, St. Landry Parish Community Action 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 July 31, 2018.

Report on Internal Control over Compliance

Management of St. Landry Parish Community Action 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 our audit of compliance, we considered St. Landry Parish Community Action 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, we do not express an opinion on the effectiveness of St. Landry Parish Community Action Agency's internal control over compliance.

Our 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. We identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2018-002.

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 by those charged with governance.

The purpose of this report on internal control over compliance is solely to describe the scope of our 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.

This report is intended solely for the information and use of management and federal awarding agencies, pass-through entities and the Legislative Auditor 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.

Dannall, Sikes & Frederick

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Eunice, Louisiana

January 15, 2019

ST. LANDRY PARISH COMMUNITY ACTION AGENCY
Opelousas, Louisiana

Schedule of Prior Year Findings and Questioned Costs
Year Ended July 31, 2018

Part I Internal Control and Compliance Material to the Financial Statements

2017-001 Budget Presentation and Amendments

See current year finding 2018-001.

2017-002 Budget Adoption

This finding has been resolved.

2017-003 Cost Allocation Plan (CAP)

See current year finding 2018-002.

2017-004 Improper Cash Management

This finding has been resolved.

ST. LANDRY PARISH COMMUNITY ACTION AGENCY
Opelousas, Louisiana

Schedule of Findings and Questioned Costs
Year Ended July 31, 2018

Part I Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the St. Landry Parish Community Action Agency.
2. There were no significant deficiencies disclosed during the audit of the financial statements which is required to be reported in the 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*.
3. One instance of noncompliance material to the financial statements of the St. Landry Parish Community Action Agency, which is required to be reported in accordance with Governmental Auditing Standards, was disclosed during the audit. See part II, finding 2018-001.
4. There was one instance of noncompliance, which was required to be reported in accordance with the Uniform Guidance in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance. See Part II, finding 2018-002.
5. The auditor's report on compliance for the major federal award programs for the St. Landry Parish Community Action Agency expresses an unmodified opinion on each of the major federal programs.
6. Audit findings that are required to be reported in accordance with the Uniform Guidance are reported in this schedule.
7. The programs tested as major programs include: Community Services Block Grant – CFDA # 93.569 and Senior Companion – CFDA # 94.016.
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. St. Landry Parish Community Action Agency was determined to be a high-risk auditee.

ST. LANDRY PARISH COMMUNITY ACTION AGENCY
Opelousas, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended July 31, 2018

Part II Findings – Financial Statement Audit

Internal Control

This section is not applicable for the year ending July 31, 2018.

Compliance

2018-001 Budget Presentation and Amendments

Condition:

The St. Landry Parish Community Action Agency did not comply with the Local Government Budget Act (Louisiana Revised Statute 39:1301-1315) with respects to the general fund and special revenue funds.

Criteria:

Louisiana Revised Statute 39:1305(c)(2)(a) requires the budgets to include a clearly presented side-by-side detailed comparison of information for the current year, including the fund balances at the beginning of the year, year-to-date actual receipts and revenues received and estimates of all receipts and revenues to be received the remainder of the year, estimated and actual revenues itemized by source; year-to-date actual expenditures and estimates of all expenditures to be made the remainder of the year itemized by agency, department, function, and character, other financing sources and uses by source and use; both year-to-date actual and estimates for the remainder of the year, the year-to-date actual and estimated fund balances as of the end of the fiscal year, and the percentage change for each item of information. In addition, Louisiana Local Government Budget Act (Louisiana Revised Statute 39:1310) states that the budget must be amended when actual expenditures exceed budgeted expenditures by 5 percent or more or actual revenues fail to meet total budgeted revenues by 5 percent or more.

Cause:

The St. Landry Parish Community Action Agency failed to comply with the Local Government Budget Act.

Effect:

Presentation of budgets was not in compliance with Louisiana State Law. Actual expenditures exceeded budgeted expenditures by more than 5 percent and/or actual revenues were less than budgeted revenues by 5 percent or more in the General Fund, CSBG fund, and the Home Energy Assistance Fund of the St. Landry Parish Community Action Agency.

Recommendation:

The St. Landry Parish Community Action Agency should strictly comply with the Local Government Budget Act.

ST. LANDRY PARISH COMMUNITY ACTION AGENCY
Opelousas, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended July 31, 2018

Part III Findings and Questioned Costs – Major Federal Award Programs Audit

Compliance and Internal Control

2018-002 Cost Allocation Plan (CAP)

Condition:

The Agency did not have their cost allocation plan (CAP) approved by the grantor.

Criteria:

Grant agreements require that a written cost allocation plan be submitted for grantor approval at the beginning of the reporting period.

Cause:

St. Landry Community Action Agency did not submit a written cost allocation plan for approval to the grantor.

Effect:

Failure to develop and obtain approval for a formal written cost allocation plan for indirect program costs may preclude grantor reimbursement for the respective costs.

Recommendations:

Management should obtain grantor approval for its written cost allocation plan for indirect costs as required by grant agreements.

ST. LANDRY PARISH COMMUNITY ACTION AGENCY
Opelousas, Louisiana

Management's Corrective Action Plan for Current Year Findings
Year Ended July 31, 2018

Internal Control and Compliance Material to Financial Statements

2018-001 Budget Presentation and Amendments

Management will follow the procedures in place at the Parish Government's Office in order to prevent this from happening in the future. A budget will be prepared in accordance with Local Government Budget Act.

Findings and Questioned Costs – Major Federal Award Programs Audit

Compliance and Internal Control

2018-002 Cost Allocation Plan (CAP)

Management has taken steps to establish a formal, written cost allocation plan for all grants requiring such plans and will implement the CAP for all successive program years pursuant to obtaining approval from the respective grantor agencies.

St. Landry Parish Community Action Agency
Opelousas, Louisiana
Schedule of Expenditures of Federal Awards
Year Ended July 31, 2018

Federal Grantor/Pass Through Grantor/ <u>Program Title</u>	Federal CFDA <u>Number</u>	Pass-through Grantor's <u>Number</u>	<u>Award Type</u>	<u>Disbursements/ Expenditures</u>
Department of Health and Human Services Passed through St. Landry Parish Government: Low-income Home Energy Assistance	93.568	72-6001256	Prepayment	\$ 89,347
Department of Health and Human Services Passed through St. Landry Parish Government: Community Services Block Grant	93.569	72-6001256	Prepayment	343,699
Department of Transportation and Development Passed through St. Landry Parish Government: Section 18	20.509	72-6001256	Reimbursement	120,423
The Corporation for National and Community Service Direct: Senior Companion	94.016		Prepayment	326,072
Department of Homeland Security Passed through St. Landry Parish Government: Emergency Food and Shelter	97.024	72-6001256	Prepayment	45,763
				<u>\$ 925,304</u>

St. Landry Parish Community Action Agency
Opelousas, Louisiana

Notes to Schedule of Expenditures of Federal Awards
Year Ended July 31, 2018

NOTE 1 GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the St. Landry Parish Community Action Agency. The Agency's reporting entity is defined in Note 1 to the Agency's basic financial statements. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included on the schedule.

NOTE 2 BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the Agency's basic financial statements.

NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal financial assistance revenue is reported in the St. Landry Parish Community Action Agency's basic financial statements as follows:

	<u>Revenues</u>
Special Revenue Funds:	
Community Services Block Grant	\$ 343,699
Low-Income Home Energy Assistance	89,347
Section 18	120,423
Senior Companion	<u>326,072</u>
	<u>\$ 879,541</u>



**Darnall, Sikes
& Frederick**

(A Corporation of Certified Public Accountants)

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

To Kirsten Thomas, Executive Director and
St. Landry Parish Community Action Agency
Opelousas, Louisiana

We have performed the procedures enumerated below, which were agreed to by St. Landry Parish Community Action Agency (Entity), component unit of St. Landry Parish Government, 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 August 1, 2017 through July 31, 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, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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) **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:

Written policies and procedures were obtained and address the functions noted above.

b) **Budgeting**, including preparing, adopting, monitoring, and amending the budget:

The Entity does not have written policies and procedures that address the functions noted above.

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- c) **Disbursements**, including processing, reviewing, and approving:
Written policies and procedures were obtained and address the functions noted above.
- d) **Receipts**, including receiving, recording, and preparing deposits:
Written policies and procedures were obtained and address the functions noted above.
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked:
Written policies and procedures were obtained and do address the functions noted above.
- 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:
Written policies and procedures were obtained and address the functions noted above.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage:
The Entity does not have written policies and procedures that address the functions noted above.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers:
Written policies and procedures were obtained and do address the functions noted above.
- 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:
Written policies and procedures were obtained and do address the functions noted above.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements:
The Entity does not have written policies and procedures that address the functions noted above.

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:
In accordance with the Entity's policy, the board met on the fourth Monday of October and at least four times during the fiscal period.
 - 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):
Minutes did not include or reference monthly budget-to-actual comparisons for the General Fund and major funds identified as such.
 - 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:

Deficit spending was not noted during the fiscal period.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period:

The minutes do reference non-budgetary financial information.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete:

Obtained a listing of client bank accounts from management and management provided 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:

Bank reconciliations have been prepared for all months during the fiscal period.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and:

Bank reconciliations do include evidence of management/board member's review of the bank reconciliations.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period:

Bank reconciliations do include items that have been outstanding for more than 12 months, however, management did not have any documentation reflecting that those items have been researched.

Collections

No exceptions noted during the fiscal year ended June 30, 2017 AUP engagement, therefore this section is excluded from testing this fiscal year.

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

No exceptions noted during the fiscal year ended June 30, 2017 AUP engagement, therefore this section is excluded from testing this fiscal year.

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

No exceptions noted during the fiscal year ended June 30, 2017 AUP engagement, therefore this section is excluded from testing this fiscal year.

Travel and Expense Reimbursement

No exceptions noted during the fiscal year ended June 30, 2017 AUP engagement, therefore this section is excluded from testing this fiscal year.

Contracts

No exceptions noted during the fiscal year ended June 30, 2017 AUP engagement, therefore this section is excluded from testing this fiscal year.

Payroll and Personnel

No exceptions noted during the fiscal year ended June 30, 2017 AUP engagement, therefore this section is excluded from testing this fiscal year.

Ethics (excluding nonprofits)

5. 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 give employees/officials, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed:

Obtained ethics compliance documentation from management for all employees selected.

6. 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:

No alleged ethics violations were reported to the entity during the fiscal year.

Debt Service (excluding nonprofits)

No exceptions noted during the fiscal year ended June 30, 2017 AUP engagement, therefore this section is excluded from testing this fiscal year.

Other

We were 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, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This 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.

Dunnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
August 27, 2018



St. Landry Parish Community Action Agency

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August 27, 2018

Darnall, Sikes, Gardes & Frederick
A Corporation of Certified Public Accountants
Eunice, Louisiana

The following is management's response to the 2017-18 AUP report submitted for St. Landry Parish Community Action Agency.

WRITTEN POLICIES AND PROCEDURES

1. Written policies and procedures manual regarding Budgeting, Credit Cards, and Debt Service.

Response:

The St. Landry Parish Government is the process of revising the Policy Manual, which is also utilized by the St. Landry Parish Community Action Agency as its main policy and procedure guideline. A recommendation will be put in with Amanda Cain to include budgeting, credit cards, and debt service policies and procedures.

BOARD

2. b) Minutes did not include or reference monthly budget-to-actual comparisons.

Response:

The St. Landry Parish Community Action Agency is actively working with the St. Landry Parish Government's Finance Department to input budgets into Quick Books so that monthly / quarterly budget-to-actual comparisons can be properly generated and presented to the Board. In lieu of the budget-to-actual reports, other reports including monthly expenditure reports have been presented to the Board to show these comparisons.

BANK RECONCILIATIONS

4. c) Outstanding reconciling items

Response:

The St. Landry Parish Community Action Agency is actively working the St. Landry Parish Government's Finance department to reconcile outstanding items.

"AN EQUAL OPPORTUNITY EMPLOYER/PROGRAM"

"AUXILIARY AIDS AND SERVICES ARE AVAILABLE UPON REQUEST TO INDIVIDUALS WITH DISABILITIES"

"COMMUNITY ACTION - DETERMINING OUR DESTINY FOR THE FUTURE"