

THE COORDINATING AND DEVELOPMENT CORPORATION
STATEMENT OF NET ASSETS
STATEMENTS OF ACTIVITIES, FUNCTIONAL EXPENSES,
AND CASH FLOWS

JUNE 30, 2018

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HEARD, McELROY, & VESTAL

LLC

CERTIFIED PUBLIC ACCOUNTANTS

333 TEXAS STREET, SUITE 1525

SHREVEPORT, LOUISIANA 71101

318-429-1525 PHONE • 318-429-2070 FAX

December 28, 2018

Board of Directors
Coordinating and Development Corporation
Shreveport, Louisiana

Independent Auditor's Report

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 Coordinating and Development Corporation, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Board'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 the 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.

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.

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hmv@hmvcpa.com E-MAIL
www.hmvcpa.com WEB ADDRESS

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 Coordinating and Development Corporation, as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Corporation's basic financial statements. The accompanying supplementary information, on pages 25-27, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards on pages 28-29 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates 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 accompanying supplementary information is 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 December 28, 2018, on our consideration of the Coordinating and Development Corporation'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 the Board's internal control over financial reporting and compliance.

Shreveport, Louisiana

Heard, 10/11/18: Vestal, LLC

THE COORDINATING AND DEVELOPMENT CORPORATION
STATEMENT OF NET ASSETS
JUNE 30, 2018

Assets	
Current	
Cash & Cash Equivalents	\$ 205,020
Current Portion of Notes Receivable	6,869
Accounts Receivable	<u>83,783</u>
Total Current Assets	<u>295,672</u>
Other Assets	
Certificates of Deposit	256,419
Note Receivable (Net of Current Portion)	<u>79,551</u>
Total Other Assets	335,970
Equipment (Net of Accumulated Depreciation of \$31,707)	<u>0</u>
Total Assets	<u>\$ 631,642</u>
Liabilities & Net Assets	
Current	
Accounts Payable	\$ 105,634
Interest Payable	95
Current Portion of Notes Payable	3,886
Vacation Fund Payable	<u>340,622</u>
Total Current Liabilities	<u>450,237</u>
Long Term Liabilities	
Note Payable-USDA (Net of Current Portion)	<u>100,943</u>
Total Long Term Liabilities	<u>100,943</u>
Total Liabilities	<u>551,180</u>
Net Assets (Deficit)	<u>80,462</u>
Total Liabilities & Net Assets	<u>\$ 631,642</u>

See Notes to Financial Statements

THE COORDINATING AND DEVELOPMENT CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Unrestricted</u>
Revenues	
Workforce Development	\$ 1,856,871
Economic Development	178,666
Dues & Other	250,942
Interest Income	13,776
Community Development	<u>134,464</u>
Total Revenues	2,434,719
Unallocated Payments from Affiliated Organizations	<u>68,000</u>
Total Revenues and Unallocated Payments from Affiliated Organizations	<u>2,502,719</u>
Program Services	
Workforce Development/Step/Taa/Neg	<u>1,621,128</u>
Total Program Services	<u>881,591</u>
Supporting Services	
Interest Expense	(1,087)
Management & General	<u>(717,938)</u>
Total Supporting Services	<u>(719,025)</u>
Total Expenditures & Unallocated Payments To Affiliated Organizations	<u>162,564</u>
Increase in Net Assets	162,564
Net Assets (Deficit) at Beginning of Year	<u>(82,102)</u>
Net Assets (Deficit) at End of Year	<u>\$ 80,462</u>

See Notes to Financial Statements

THE COORDINATING AND DEVELOPMENT CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
PROGRAM SERVICES
FOR THE YEAR ENDED JUNE 30, 2018

Program Services

	<u>OWIA</u>	<u>SP NEG</u>	<u>ED</u>	<u>COMM</u>	<u>IRP</u>	<u>LENDING</u>	<u>SUPPORT SERVICE</u>	<u>TOTAL</u>
Revenues	<u>\$1,778,294</u>	<u>\$ 78,575</u>	<u>\$178,666</u>	<u>\$ 134,464</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 250,942</u>	<u>\$2,420,941</u>
Expenditures								
Administrative Cost								
Salaries and Fringe	210,017	0	46,158	153,708	0	6,583	66,815	483,281
Fringe Benefits	0	0	7,039	40,023	0	0	26,337	73,399
Office Rent	0	0	11,588	12,300	0	0	9,356	33,244
Contractual	0	0	0	0	0	0	0	0
Office Supplies	0	0	803	856	0	0	6,096	7,755
Vehicle	0	0	0	0	0	0	0	0
Equipment Rental	0	0	4,635	4,945	0	0	3,124	12,704
Professional	0	0	2,747	2,874	0	0	54,858	60,479
Postage and Printing	0	0	525	557	0	0	353	1,435
Telephone	0	0	2,545	2,602	0	0	1,874	7,021
Advertising	8,194	0	502	294	0	0	205	9,195
Insurance	4,153	0	345	369	0	0	26	4,893
Dues/Meetings	13,377	0	1,577	752	0	0	1,349	17,055
Accounting/ Professional Fees	0	0	0	0	0	0	0	0
Other Administrative Expenses	0	0	222	0	2,875	0	0	3,097
Travel	0	0	1,231	3,149	0	0	0	4,380
Total Administrative Cost	<u>235,741</u>	<u>0</u>	<u>79,917</u>	<u>222,429</u>	<u>2,875</u>	<u>6,583</u>	<u>170,393</u>	<u>717,938</u>
Training/Support/ Vendor Admin.	<u>1,542,553</u>	<u>78,575</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,621,128</u>
Total Expenditures	<u>\$1,778,294</u>	<u>\$ 78,575</u>	<u>\$ 79,917</u>	<u>\$ 222,429</u>	<u>\$ 2,875</u>	<u>\$ 6,583</u>	<u>\$ 170,393</u>	<u>\$2,339,066</u>

See Notes to Financial Statements

THE COORDINATING AND DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

Cash Flows From By Operating Activities	
Increase in Net Assets	\$ 162,564
Adjustments To Reconcile From Increase In Net Assets	
To Net Cash Operating Activities	
Increase in Accounts Receivable	(78,592)
Increase in Accounts Payable	<u>33,291</u>
Net Cash (Provided) from Operating Activities	<u>117,263</u>
Cash Flows From Investing Activities	
Decrease in Vacation Fund Payable	(16,956)
Investment in Certificates of Deposit	(815)
Collection on Notes Receivable	<u>6,493</u>
Net Cash (Used By) From Investing Activities	<u>(11,278)</u>
Cash Flows (Used by) From Financing Activities	
Debt Repayment	<u>(3,839)</u>
Net Cash (Used By) from Financing Activities	<u>(3,839)</u>
Increase in Cash & Cash Equivalents	102,146
Beginning Cash & Cash Equivalents	<u>102,874</u>
Ending Cash & Cash Equivalents	<u>\$ 205,020</u>

Note: No income taxes were paid for the year.
Interest of \$1,087 was paid during the year and none was capitalized.

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE A - ACCOUNTING POLICIES

1. The accompanying financial statements have been prepared on the accrual basis, whereby all revenues are recognized when earned and expenditures are recorded when incurred. The Coordinating and Development Corporation (CDC) uses funds to report on its financial position and the results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain grants/programs/divisions. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are used to account for all of CDC's activities, and divisions are used to provide for segregation of programs within CDC.
2. The Coordinating and Development Corporation (CDC) is a private, not-for-profit, IRS Section 501(c)(4) Corporation. The Corporation operates primarily in the ten parishes of Northwest Louisiana. It is governed by an elected Board of Directors and provides business, industrial and economic development to both the private sectors and area governments.
3. Depreciation - Depreciation is provided on the straight line method over the useful life of the office equipment. Equipment is recorded at cost, and includes all items with cost exceeding \$500 and a useful life greater than one year.
4. Cash & Cash Equivalents - The Company considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.
5. Divisions - The following divisions, reported as funds, are maintained:
 1. Division of Economic Development
 2. Division of Workforce Development
 3. Division of Project Review
 4. Division of Natural Resources
 5. Division of Local Funds
 6. Division of Community Development
 7. Division of 8%
 8. Division of IRP
 9. Division of TD
 10. Division of Marketing & Economic Development
 11. Division of Culture, Recreation & Tourism
 12. Division of Step

The reporting of all divisions in one report is in compliance with OMB Circular A-133.

6. Transfers In/Transfers Out - Transfers in/out represents funding from/to the Division of Local Funds.
7. Budgets - Budgets are not required for all divisions.

THE COORDINATING AND DEVELOPMENT CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018

NOTE A - ACCOUNTING POLICIES (continued)

8. Investments - Investments are presented in the financial statements at fair market value.
9. Temporarily Restricted Assets - As discussed in Note C, the Company has a policy that reimburses employees for unused vacation time, which in prior years was reflected as a restricted asset. These restrictions will expire when the vacation time is used or the individuals retire.
10. Capitalized Interest - The Company did not capitalize interest for the year ended June 30, 2018.
11. Advertising - The Company expenses non-direct response advertising as incurred.
12. Impairment - The carrying value of property, equipment and intangibles is evaluated periodically in relation to the operating performance and future undiscounted cash flows of the underlying businesses. Adjustments are made if the sum of expected future cash flows is less than book value. For the year presented, no adjustment was necessary.
13. Collateral - On all loans through the Division of IRP, the Company requires adequate collateral and secures a mortgage which is usually real estate.
14. Allowance for Doubtful Accounts - The Company evaluates its losses annually on the IRP Division and records this as an allowance. Bad debts are written off directly as they are identified, and a minimum allowance of 6% of the net loan balance is reserved.

Interest income is recorded as earned. The Board will write off notes/accounts receivable at such time as all efforts have been exhausted to recover the asset. Loans are considered past due when payments are 30 days in arrears.

NOTE B - ACCOUNTS RECEIVABLE

Accounts receivable for the year ended 6/30/18 are as follows:

<u>Receivable</u>	<u>Division</u>	<u>6/30/18 Amount</u>
Var. Municipalities	Community Development	\$ 35,881
EDA	Economic Development	35,000
WOIA	WOIA	12,902
		<u>\$ 83,783</u>

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 20187

NOTE C - VACATION ESCROW

The Company accrued the funding for its vacation fund, which allows personnel who leave or retire the ability to sell back their unused vacation time. This policy was terminated in September, 2016.

During the current year, additional time earned and raises resulted in the following adjustments to the account:

FYE 6/30/2017	\$ 357,578
Change	<u>(16,956)</u>
Unfunded 6/30/2018	<u>\$ 340,622</u>

The vacation fund is unfunded at year end and is reflected as a liability to the Local Fund.

In August, 2018, the accrual was funded/paid.

NOTE D - RELATED PARTIES/AFFILIATES

The CDC operated several divisions and is affiliated with three active nonprofit entities and two for-profit entities as follows:

Affiliates

- (A) Tri District Development Corporation (TD) - A revolving loan program of which CDC membership constitutes 1/3 control. This entity's year end is 9/30. During the year ended 6/30/18, the Corporation received \$0 in revenues from Tri District.

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE D - RELATED PARTIES/AFFILIATES (continued)

- (B) Ark-La-Tex Investment & Development Corporation (AIDC) - This entity's year end is 9/30. During the year ended 6/30/18, the Company paid AIDC rent on its office buildings and equipment in Shreveport, Louisiana and Natchitoches, Louisiana on a 30 day lease totaling \$353,610. CDC received contributions of \$68,000 from AIDC during FYI June, 2018.
- (C) Ark-La-Tex Regional Export & Technology Center, Inc. (ARETC) - A nonprofit entity responsible for implementing/developing import/export economical advances in the ten parish area. During the year ended 6/30/18, CDC paid the Company \$0.
- (D) Red River Valley Bidco Inc. (RRVB) - A for-profit entity owned by AIDC formed to encourage the formation of business and industrial development corporations. The Company earned \$0 for services rendered during the year.
- (E) N.W.E.D. Inc. - A for-profit entity.

Divisions

- (A) Division of Economic Development - Funded by the federal government and CDC, whose purpose is to aid in economic growth in the surrounding ten parish area. This program requires a matching commitment of 75/25. For the year ended 6/30/18, ED transferred \$98,749 to the Division of Local Funds. During the current year, the Division received the following revenues:

Federal Funds	<u>\$ 70,000</u>
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- (B) Division of Community Development - Funded by contracts with entities to provide administrative services for entities receiving Louisiana Community Development Block Grant (LCDBG) funds. In prior years, the Division was called "Division of Planning & Programming". During the current year, the Local Division had \$87,965 transferred to the Community Development Division.
- (C) Division of Natural Resources - Funded by the Louisiana Association of Planning & Development Districts and CDC. There was no activity during the current year.
- (D) Division of Project Review - Its purpose is to review federal grants. There was no activity during the current year.

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE D - RELATED PARTIES/AFFILIATES (continued)

- (E) Division of Culture, Recreation & Tourism - Funded in prior years to promote tourism to Northwest Louisiana. There was no activity during the current year.
- (F) Division of Local Funds - All other activities for the year ended 6/30/18.
- (G) Division of Marketing & Economic Development - This program is a joint agreement between the Parish of Caddo and CDC for the promotion of Caddo Parish, LA. During the year, the Division received \$0 from the Local Fund Division.
- (H) Division of IRP - A relending program administered by CDC as further described in Note P. During the year, it received \$0 from Lending Division. This fund transferred \$0 to Local Fund during the current year.
- (I) Division of Lending/TD - This program represents funds received in managing/administering Tri District Development Corporation, a related entity whose purpose is administration of revolving loan fund. The Local Funds transferred \$6,583 to this Division.

NOTE E - OPERATING LEASES

The Company leases facilities & equipment owned by Ark-La-Tex Investment & Development Corporation and is currently leasing under a 30 day lease agreement. Facilities are located in Caddo, Desoto, Bossier, Webster and Natchitoches Parish.

NOTE F - RETIREMENT PLAN - DEFINED CONTRIBUTION

The Company contributed \$56,089 during the year ended 6/30/18, and all employees with greater than six months employment with the Company are eligible. The Company contributes 6.5% of the employees' gross pay.

THE COORDINATING AND DEVELOPMENT CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018

NOTE G - INDIRECT COSTS

The Company allocated indirect costs as follows:

	<u>Amount For</u> <u>6/30/2018</u>	<u>Allocation</u> <u>Formula</u>
Rent	\$ 353,610	Direct Labor/Revenue
All Other Administrative Expenses	(Less than \$50,000)	Direct Labor/Revenue

NOTE H - WIOA (Workforce Innovation and Opportunity Act)

CDC acts as a recipient/subrecipient of WIOA funds from the State of Louisiana, Department of Regulatory Services (Labor). All revenues represent reimbursed cost under the terms of the various contracts with the State.

1. WIOA-Adult
 The purpose of this portion of WIA is to establish programs to prepare unskilled adults for entry into the labor force and to afford job training to those economically disadvantaged individuals who are in need of such training to obtain productive employment.

WIOA-Youth
 Programs under this part are conducted year round. Individuals eligible under this part must be economically disadvantaged and between the ages of fourteen and twenty-one.

WIOA-Dislocated Worker
 This program allows for dislocated workers to be retrained and prepares them to re-enter the labor force.
2. Training - Classroom
 This is used to record costs of tuition, books, and tools, if necessary, for program participants.
3. Training - Work Experience
 This is used to record the expenditures associated with the part of the program that gives participants an introduction to the "world of work".
4. Training - OJT
 This is used to record expenditures associated with on the job training. When an individual meets the requirements to enter this program, WIA will reimburse the individual's employer for one half of the participant's salary for a period not to exceed six months.

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE H - WIOA (continued)

5. Support Service
Cost of supportive services which are necessary to enable an individual eligible for training under WIOA, but who cannot afford to pay for such services, to participate in a training program funded under WIA.
6. Participant Support
Accounts for payments made to participants in the WIOA programs.
7. Administrative
Administrative costs are limited to five/thirty percent of the total contract, depending on the program.
8. History
The WIOA Division is administered by The Coordinating and Development Corporation (CDC) which is a corporation exempt from income tax under Internal Revenue Code Section 501(c)(4). The Coordinating and Development Corporation (CDC), originally organized and chartered in 1954, is a not-for-profit, private corporation whose service area includes the ten parishes and ninety-two municipalities of Northwest Louisiana. CDC provides a wide range of services to its membership through its six operating Divisions: Economic Development, Workforce Development, Community Development, IRP, TD, Marketing & Economic Development and Local.

The Coordinating and Development Corporation (CDC) also provides specialized services to its membership through assisting the following corporations: Ark-La-Tex Investment & Development Corporation, Mid-Continent Capital Corporation, Tri District Development Corporation, River Cities High Technology Group, Inc., Industrial Trust Corporation, Louisiana Foreign Sales Corporation, Ark-La-Tex Regional Export and Technology Center, Inc., and the Red River Valley BIDCO, Inc. Services include: business investment and finance, employment and training, public works and infrastructure, economic development, international business development, planning and management, energy conservation/natural resources and aesthetics development.

9. NEG (National Emergency Grant)

In 2005, Hurricane Katrina caused extensive damage to the coastline and communities of South Louisiana. In response to this natural disaster and in an effort to supplement State and local efforts and capabilities to save lives and to protect property and public health and safety, and to provide assistance to eligible dislocated workers. Federal assistance was made available through the Hurricane Katrina Project One, a disaster grant awarded under the National Emergency Grants Program, in accordance with Sec. 173 of the Workforce Investment Act. The Louisiana Department of Labor (LDOL) is the grantee for this project and hereafter may be referred to as "recipient".

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE H - WIA (continued)

9. NEG (National Emergency Grant) (continued)

Hurricane Katrina and the resultant flooding resulted in the displacement of approximately 1.2 million individuals in the New Orleans metropolitan region, the Florida Parishes of Southeast Louisiana and the surrounding areas. It is estimated that approximately 750,000 of this number were working at the time of displacement. Many of these displaced individuals will not be able to return to their homes for a substantial period of time. Based on this massive dislocation, this grant will be used to provide temporary employment for Katrina displaced individuals.

CDC will recruit and place participants in temporary jobs in public and non-profit entities that include projects that provide food, clothing, shelter and other humanitarian assistance for individuals struck by the disaster.

Four company employers which closed in prior years in the local area are funded through this program.

10. Rapid Responses

Assist with dislocated workers.

11. Trade Assistance Adjustments

The Trade Act of 1974, as amended by the Trade Reform Act of 2002, created a program of Trade Adjustment Assistance (hereinafter may be referred to as TAA) to assist individuals who become unemployed as a result of increased imports from or shift in production to another country, to suitable employment. The TAA program provides for reemployment services and allowances for eligible individuals.

The Louisiana Department of Labor's Office of Workforce Development believes that there are both philosophical and logistical reasons for integrating the Trade Act programs with WIA. Trade-affected workers are by definition, dislocated workers. Under WIA, complete integration of the services that all dislocated workers receive is an essential element of a seamless delivery system. To facilitate this process, the Trade Adjustment Assistance program is a required partner in the Career Solution Centers' service delivery system and is required to be accessible there. The delivery of services and benefits under the Trade Act programs should be integrated with other WIA programs and partners to improve services, maximize resources, avoid duplication, and enhance outcomes for all customers.

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE H - WIA (continued)

11. Trade Assistance Adjustments (continued)

Scope of Services

The Subrecipient shall: (1) coordinate the delivery of reemployment services (i.e., job search allowances, relocation allowances, and subsistence) to trade-affected workers, which also falls within the WIA programs sequence of services (core, intensive, and training) and (2) provide allowable TAA employment and training activities.

Trade-affected workers will access reemployment services as any other dislocated worker. Trade-affected workers will be registered into LAVOS and co-enrolled as WIOA Adult/Dislocated Worker participants. If services involve job search and/or job relocation allowance, the Trade Adjustment Assistance program resources may be utilized. Skills Development staff will complete all applicable forms and assessments. If training is recommended, the Trade Act program resources may be utilized to pay for the cost of training (tuition, books, supplies, etc.). If a trade petition is approved after a WIOA Adult/Dislocated Worker starts training, Trade Adjustment Assistance funds cannot be used to retroactively pay for training. However, it is possible for these funds to pay for future costs associated with training. When Trade Act program resources are used to cover the cost of training, a WIOA Individual Training Account of scholarship will not be issued.

Eligible Participants and Limitations on Participation

Individuals eligible to be served under this contract are trade impacted workers who have been laid off, or who are currently employed and have received notice of lay-off as a result of increased imports from or shift in production to another country. Status must be verified through a certified petition received from USDOL.

12. American Recovery and Reinvestment Act (ARRA)

Youth

The majority of stimulus funds for youth will be spent on the summer youth employment program. This program will provide an excellent introduction to the world of work for younger youth, while providing older youth with the opportunity to refine their work skills for career exploration and, ultimately, entrance into the workforce.

All youth participating in the summer employment program will be assessed to determine their interests, skills, educational background, prior training, work history, and limitations to career goals. Also considered are developmental or age-appropriate strategies for work readiness. This information will be recorded on the individual Service Strategy (ISS), and used to develop an action plan for appropriate summer job placement. One or more of the 10 youth program elements will be offered as needed, and follow-up services will be provided when deemed appropriate for such individuals.

THE COORDINATING AND DEVELOPMENT CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018

NOTE H - WIA (continued)

All youth participating in the summer program will receive an orientation prior to starting work. Job readiness, safety, payroll procedures, and work evaluation will be covered in this orientation. Once work begins, job readiness will continue to be tracked through the use of the monthly evaluation form completed by the worksite supervisor.

Adult and Dislocated Workers

In the spirit of ARRA, Region 7 is committed to increasing employment and training services to assist workers in meeting the demands of a changing and challenging labor market. Pairing stimulus funds with current WIA allocations will insure an increase in the number of adult and dislocated workers served and an increased pool of trained workers from which employers can draw. The Business and Career Solutions Centers throughout the region will spearhead the effort to target the needs of workers and employers. Job training, adult education, post secondary education, registered apprenticeships, career advancement activities, and supportive services will be aligned with the demand sectors of the region to meet the skill needs of existing and emerging employers and high growth occupations as well as the needs of the under-skilled workers.

13. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. All appropriations lapse at year end.

14. Equipment

Equipment purchased by the Labor funds remains the property of the grantor and is not capitalized. Total cost of equipment owned by Labor currently being used by CDC is:

Workforce Development (WIOA) \$88,512

NOTE I - UNRESTRICTED ASSETS

All funds are unrestricted for use within the funds. In prior years, the vacation fund was restricted; however, management has determined this to be unrestricted.

NOTE J - EQUIPMENT

During the year ended 6/30/18, the following occurred:

	<u>Life</u>	<u>Method</u>	6/30/17 <u>Balance</u>	<u>Additions</u>	6/30/18 <u>Balance</u>
Furniture & Equip.	5-7yrs.	S/L	\$31,707	\$ 0	\$31,707
Accumulated Depr.			<u>31,707</u>	<u>0</u>	<u>31,707</u>
Net			<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

All repairs during the year were expensed.

THE COORDINATING AND DEVELOPMENT CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018

NOTE K - CASH & CERTIFICATES OF DEPOSIT

Cash & Certificates of Deposit consist of the following:

<u>Division</u>	<u>Banking Institution</u>	<u>Amount @ June 30, 2018</u>
Certificates of Deposit	Red River Bank	\$ 256,419
		<u>\$ 256,419</u>
Checking Accounts		<u>\$ 149,689</u>
	JP Morgan Trust	<u>\$ 55,331</u>

The monies at each banking institution are insured for \$250,000. The monies at each brokerage institution are insured for \$500,000. The uninsured amount @ 6/30/18 is \$0.

NOTE L - LOCAL FUND REVENUES

Revenues for the year consisted of:

Dues	\$ 237,285
Other	<u>13,657</u>
	<u>\$ 250,942</u>

NOTE M - ESTIMATES

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

NOTE N - FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial instruments approximates the carrying (book) value because of the short maturity of these assets.

NOTE O - OPERATIONS/CREDIT RISK

The Company is dependent upon the continuance of the government grant funding to support the economic development in the ten parish area. The loans are subject to risk of collection; however, the management believes the collateral is adequate.

THE COORDINATING AND DEVELOPMENT CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018

NOTE P - IRP LOANS

The Company has entered into a relending program with the United States Department of Agriculture (USDA) through the Rural Development Program. The program allows for a total lending program at 1% interest, principal due over a 27 year amortization beginning after the program's third year. The monies are advanced/loaned by USDA upon loan approval to qualified businesses.

The note to USDA is due as follows:

Amortization schedule for note payment	
2019	\$ 3,886
2020	3,925
2021	3,965
2022	4,004
2023 and thereafter	<u>89,049</u>
	<u>\$104,829</u>

The following note from A's Pelican Grocery LLC is collateral for the USDA note:

<u>Interest Rate</u>	<u>Date of Loan</u>	<u>Monthly Payment</u>	<u>Terms</u>	<u>Lender</u>	<u>Loan</u>	<u>Balance 06/18</u>
5.2%	04/11/2014	\$931.00	15 yrs.	A's Pelican Grocery LLC	\$116,250	\$ 85,863
	Amortization 06/18		\$ 6,869			
	06/19					
	and Thereafter		<u>79,551</u>			
			<u>\$ 86,420</u>			

NOTE Q - BOARD OF DIRECTORS

All services are on a voluntary basis. The board members were only reimbursed travel expenditures.

NOTE R - RISK MANAGEMENT

The Company is exposed to various risk of loss and insured against these losses through comprehensive commercial insurance. Claims resulting from these losses have historically not exceeded insurance coverage.

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE S - SUBSEQUENT EVENTS

The Financial Accounting Standards Board (FASB) issued FASB ASC 855 "Subsequent Events" which establishes principles and requirements for subsequent events. This statement defines the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, and the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in the financial statements. FASB ASC 855 did not have an impact on the statement of cash flows. We evaluate events and transactions that occur after the balance sheet date but before the financial statements are made available.

NOTE T - COMPANY PROJECTIONS

Based on the results of the above transactions and implemented policies, the Company is projecting net income for the year ended June 30, 2019.

The Company has hired a new CEO in September, 2016, and an Economic Development Professional (EDP) in October, 2016. In September, 2017, the CEO resigned and the EDP became the CEO.

HEARD, McELROY, & VESTAL

—LLC—

CERTIFIED PUBLIC ACCOUNTANTS

333 TEXAS STREET, SUITE 1525
SHREVEPORT, LOUISIANA 71101
318-429-1525 PHONE • 318-429-2070 FAX

December 28, 2018

Board of Directors
Coordinating and Development Corporation
Shreveport, Louisiana

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

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 aggregate remaining fund information of Coordinating and Development Corporation, as of and for the year ended June 30, 2018, and have issued our report thereon dated December 28, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Coordinating and Development Corporation'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 Coordinating and Development Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of Coordinating and Development Corporation'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.

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.

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hmiv@hmvcpa.com E-MAIL
www.hmvcpa.com WEB ADDRESS

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Coordinating and Development Corporation'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Shreveport, Louisiana

Heard, McEroy & Vestal, LLC

HEARD, McELROY, & VESTAL

LLC

CERTIFIED PUBLIC ACCOUNTANTS

333 TEXAS STREET, SUITE 1525
SHREVEPORT, LOUISIANA 71101
318-429-1525 PHONE • 318-429-2070 FAX

December 28, 2018

Board of Directors
Coordinating and Development Corporation
Shreveport, Louisiana

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Report on Compliance for Each Major Federal Program

We have audited Coordinating and Development Corporation's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Coordinating and Development Corporation's major federal programs for the year ended June 30, 2018. Coordinating and Development Corporation'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 Coordinating and Development Corporation'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 Coordinating and Development Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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 Coordinating and Development Corporation's compliance.

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www.hmvcpa.com WEB ADDRESS

Opinion on Each Major Federal Program

In our opinion, Coordinating and Development Corporation 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 June 30, 2018.

Report on Internal Control Over Compliance

Management of Coordinating and Development Corporation 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 Coordinating and Development Corporation'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 Coordinating and Development Corporation's internal control over compliance.

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

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

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.

Shreveport, Louisiana

Heard, M. E. King & Vestal, LLC

THE COORDINATING AND DEVELOPMENT CORPORATION
 COMBINED BALANCE SHEET
 JUNE 30, 2018

	OWIA	RES NDWG	SP NEG	STEP	VOC REHAB	TAA	ED	COMM	IRP	Lending/TD	GM Neq	SUPPORT SERVICE	TOTAL
Assets													
Current													
Cash & Cash Equivalents	\$ 90,656	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 55,331	\$ 0	\$ 0	\$ 59,033	\$ 205,020
Accounts Receivable	12,902	0	0	0	0	0	35,000	35,881	0	0	0	0	83,783
Notes Receivable (Current Portion)	0	0	0	0	0	0	0	0	6,869	0	0	0	6,869
Due from Other Funds	0	0	0	0	0	0	0	0	0	0	0	88,212	88,212
Total Current Assets	103,558	0	0	0	0	0	35,000	35,881	62,200	0	0	147,245	383,884
Investments													
Certificates of Deposit	0	0	0	0	0	0	0	0	0	0	0	256,419	256,419
Notes Receivable (Net of Current Portion & Allowance)	0	0	0	0	0	0	0	0	79,551	0	0	0	79,551
Other Investments	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Investments	0	0	0	0	0	0	0	0	79,551	0	0	256,419	335,970
Equipment (Net of Accumulated Depreciation)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Assets	\$103,558	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$35,000	\$ 35,881	\$141,751	\$ 0	\$ 0	\$ 403,664	\$ 719,854
Liabilities & Net Assets													
Liabilities													
Current													
Accounts Payable	\$103,558	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,076	\$ 105,634
Notes Payable	0	0	0	0	0	0	0	0	3,886	0	0	0	3,886
Due from Other Funds	0	0	0	0	0	0	35,000	35,881	17,331	0	0	0	88,212
Accrued Interest Expense	0	0	0	0	0	0	0	0	95	0	0	0	95
Payroll Taxes Payable	0	0	0	0	0	0	0	0	0	0	0	0	0
Vacation Fund Accrual	0	0	0	0	0	0	0	0	0	0	0	340,622	340,622
Total Current Liabilities	103,558	0	0	0	0	0	35,000	35,881	21,312	0	0	342,698	538,449
Long Term Liabilities													
Notes Payable (Net of Current Portion)	0	0	0	0	0	0	0	0	100,943	0	0	0	100,943
Vacation Fund Payable	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Long Term Liabilities	0	0	0	0	0	0	0	0	100,943	0	0	0	100,943
Total Liabilities	103,558	0	0	0	0	0	35,000	35,881	122,255	0	0	342,698	639,392
Fund Balance	0	0	0	0	0	0	0	0	19,496	0	0	60,966	80,462
Total Liabilities & Fund Balance (Deficit)	\$103,558	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$35,000	\$ 35,881	\$141,751	\$ 0	\$ 0	\$ 403,664	\$ 719,854

See Notes to Financial Statements

THE COORDINATING AND DEVELOPMENT CORPORATION
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND OTHER SOURCES/USES
 FOR THE YEAR ENDED JUNE 30, 2018

	OWIA	RES NDWG	SP NEG	STEP	VOC REHAB	TAA	ED	COMM	IRP	Lending/TD	GM Neq	SUPPORT SERVICE	TOTAL
Revenues	\$1,856,871	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$178,666	\$ 134,464	\$ 0	\$ 0	\$ 0	\$ 250,942	\$ 2,420,943
Expenditures													
Administrative Cost													
Salaries and Fringe	210,017	0	0	0	0	0	46,158	153,708	0	6,583	0	66,815	483,281
Fringe Benefits	0	0	0	0	0	0	7,039	40,023	0	0	0	26,337	73,399
Office Rent	0	0	0	0	0	0	11,588	12,300	0	0	0	9,356	33,244
Contractual	0	0	0	0	0	0	0	0	0	0	0	0	0
Office Supplies	0	0	0	0	0	0	803	856	0	0	0	6,096	7,755
Vehicle	0	0	0	0	0	0	0	0	0	0	0	0	0
Equipment Rental	0	0	0	0	0	0	4,635	4,945	0	0	0	3,124	12,704
Professional	0	0	0	0	0	0	2,747	2,874	0	0	0	54,858	60,479
Postage and Printing	0	0	0	0	0	0	525	557	0	0	0	353	1,435
Telephone	0	0	0	0	0	0	2,545	2,602	0	0	0	1,874	7,021
Advertising	8,194	0	0	0	0	0	502	294	0	0	0	205	9,195
Insurance	4,153	0	0	0	0	0	345	369	0	0	0	26	4,893
Dues/Meetings	13,377	0	0	0	0	0	1,577	752	0	0	0	1,349	17,055
Accounting/ Professional Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Administrative Expenses	0	0	0	0	0	0	222	0	2,875	0	0	0	3,097
Travel	0	0	0	0	0	0	1,231	3,149	0	0	0	0	4,380
Total Administrative Cost	235,741	0	0	0	0	0	79,917	222,429	2,875	6,583	0	170,393	717,938
Training/Support/ Vendor Admin.	1,621,130	0	0	0	0	0	0	0	0	0	0	0	1,621,130
Total Expenditures	\$1,856,871	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 79,917	\$ 222,429	\$ 2,875	\$ 6,583	\$ 0	\$ 170,393	\$ 2,339,068
Other Financing Sources/Uses													
Interest Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,050	\$ 0	\$ 0	\$ 7,726	\$ 13,776
Transfers In	0	0	0	0	0	0	0	87,965	0	6,583	0	4,201	98,749
Transfers Out	0	0	0	0	0	0	(98,749)	0	0	0	0	0	(98,749)
Contributions from AIDC	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Expense	0	0	0	0	0	0	0	0	(1,087)	0	0	0	(1,087)
Transfers from AIDC	0	0	0	0	0	0	0	0	0	0	0	68,000	68,000
Change in Vacation Accrual	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other Financing Sources/Uses	0	0	0	0	0	0	(98,749)	87,965	4,963	6,583	0	79,927	80,689
Excess of Expenditures Over Revenue	0	0	0	0	0	0	0	0	2,088	0	0	160,476	162,564
Beginning Net Assets	0	0	0	0	0	0	0	0	17,408	0	0	(99,510)	(82,102)
Ending Net Assets	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 19,496	\$ 0	\$ 0	\$ 60,966	\$ 80,462

See Notes to Financial Statements

THE COORDINATING AND DEVELOPMENT CORPORATION
 COMBINED STATEMENT OF CASH FLOWS
 JUNE 30, 2018

	OWIA	RES NDWG	SP NEG	STEP	VOC REHAB	TAA	ED	COMM	IRP	Lending/TD	GM Neg	SUPPORT SERVICE	TOTAL
Cash Flows From Operations													
Excess of Expenditure and Other Financing Sources Over Revenues and Other Uses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,088	\$ 0	\$ 0	\$ 160,476	\$ 162,564
Bad Debt Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
(Increase) Decrease in Accounts Receivable	(12,902)	0	0	0	0	0	(35,000)	(30,690)	0	0	0	0	(78,592)
Due from Other Funds	0	0	0	0	0	0	0	0	0	0	0	0	0
(Decrease)Increase In Cash Deficit	0	0	0	0	0	0	0	0	0	0	0	0	0
Accounts Payable	62,260	0	0	0	0	0	0	0	0	0	0	(28,969)	33,291
Due to Other Funds	(13,774)	0	0	0	0	0	35,000	30,690	8,610	0	0	(60,526)	0
Other Current Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0
Related Party Payable	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash Provided By (Used By) Operations	<u>35,584</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,698</u>	<u>0</u>	<u>0</u>	<u>70,981</u>	<u>117,263</u>
Cash Flows From Investing													
Investing in CDs	0	0	0	0	0	0	0	0	0	0	0	(815)	(815)
Investing in Securities	0	0	0	0	0	0	0	0	0	0	0	(16,956)	(16,956)
Increase(Decrease) in Due To/From Fund Transfer	0	0	0	0	0	0	0	0	0	0	0	0	0
Increase(Decrease) in Vacation Fund Payable	0	0	0	0	0	0	0	0	0	0	0	0	0
Notes Receivable	0	0	0	0	0	0	0	0	6,493	0	0	0	6,493
Funds Repaid on Loans	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash Provided By (Used By) Investing	<u>(13,485)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,493</u>	<u>0</u>	<u>0</u>	<u>(17,771)</u>	<u>(11,278)</u>
Cash Flows From Financing													
Note Payable Previous Employees Debt	0	0	0	0	0	0	0	0	0	0	0	0	0
Note Payable Previous Employees Debt Repayment	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	(3,839)	0	0	0	(3,839)
Net Cash Provided By (Used By) Financing	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(3,839)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(3,839)</u>
Net Increase(Decrease) in Cash	<u>35,584</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13,352</u>	<u>0</u>	<u>0</u>	<u>53,210</u>	<u>113,827</u>
Beginning Cash & Cash Equivalents	<u>55,072</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>41,979</u>	<u>0</u>	<u>0</u>	<u>5,823</u>	<u>102,874</u>
Ending Cash & Cash Equivalents	<u>\$ 90,656</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 55,331</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 59,033</u>	<u>\$ 205,020</u>

See Notes to Financial Statements

THE COORDINATING AND DEVELOPMENT CORPORATION
SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor	Federal CFDA #	Grant Term	Program Amount	Revenues For Year Ended June 30, 2018	Expenditures For Year Ended June 30, 2018	Administration	Program	
<u>Nonmajor Programs</u>								
US Department of Commerce Economic Development Adm	11.300		\$ 70,000	\$ 70,000	\$ 70,000	0	\$ 70,000	
Total			<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>0</u>	<u>70,000</u>	
<u>*Major Programs</u>								
Workforce Investment Act/Dept of Labor								
Adult	FY15	17.280	07/01/17-06/30/19	885,532	321,100	321,100	38,000	283,100
Adult	PY15	17.258	07/01/16-06/30/19	129,217	129,217	129,217	12,922	116,295
Adult	FY17	17.258	07/01/16-06/30/18	764,659	26,780	26,780	25,465	1,315
Total				<u>1,779,408</u>	<u>477,097</u>	<u>477,097</u>	<u>76,387</u>	<u>400,710</u>
Youth	PY16	17.259	07/01/16-06/30/18	958,528	419,892	419,892	45,952	373,940
Youth	PY15	17.259	07/01/16-06/30/19	1,128,473	45,400	45,400	45,400	0
Total				<u>2,087,001</u>	<u>465,292</u>	<u>465,292</u>	<u>91,352</u>	<u>370,940</u>
Dislocated Workers	FY18	17.260	07/01/17-06/30/19	694,630	117,932	117,932	36,100	81,832
Dislocated Workers	FY17	17.260	07/01/16-06/30/18	481,692	481,069	481,069	46,169	434,900
Dislocated Workers	PY17	17.260	07/01/16-06/30/19	181,070	18,107	18,107	18,107	0
Dislocated Workers	PY16	17.260	07/01/16-06/30/18	162,399	38,799	38,799	6,439	32,360
Total				<u>1,519,791</u>	<u>655,907</u>	<u>655,907</u>	<u>106,815</u>	<u>549,092</u>
LA 19 SP NEG	17.227		07/01/15-06/30/17	329,223	17,495	17,495	0	17,495
LA 19 SP NEG			07/01/17-06/30/18	163,733	61,080	61,080	0	61,080
Transfer				180,000	180,000	180,000	18,000	162,000
Subtotal WIOA & STEPS				<u>\$ 6,059,156</u>	<u>\$ 1,856,871</u>	<u>\$ 1,856,871</u>	<u>\$ 292,554</u>	<u>\$ 1,564,317</u>
Total				<u>\$ 6,129,156</u>	<u>\$ 1,926,871</u>	<u>\$ 1,926,871</u>	<u>\$ 292,554</u>	<u>\$ 1,634,317</u>

See Notes to Financial Statements

THE COORDINATING AND DEVELOPMENT CORPORATION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

1. Basis of Presentation

The accompanying schedule of expenditures of Federal awards includes the Federal grant activity of The Coordinating and Development Corporation and is presented on the accrual basis of accounting, which is the same basis of accounting used for the presentation of the general purpose financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*.

The Coordinating and Development Corporation did pass through Federal awards to subrecipients during the fiscal year, however no one recipient received \$300,000 nor did CDC expend any Federal awards in the form of noncash assistance.

THE COORDINATING AND DEVELOPMENT CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COST
FOR THE YEAR ENDED JUNE 30, 2018

We were engaged to audit the financial statements of The Coordinating and Development Corporation (CDC) as of and for the year ended June 30, 2018 and have issued our report thereon dated December 28, 2018. 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. Our report expresses an unmodified opinion on the financial statements for the year ended June 30, 2018.

Section I - Summary of Auditor's Results:

- a. The report on internal control and compliance material to the financial statements reported the following items:
1. The auditor's report expresses an unmodified opinion on the basic financial statements of Coordinating and Development Corporation.
 2. No material weaknesses or significant deficiencies were identified during the audit of the financial statements.
 3. No instances of noncompliance material to the basic financial statements of Coordinating and Development Corporation were disclosed during the audit.
 4. No material weaknesses in internal control over compliance, relating to the audit of a major federal award program, are reported.
 5. The auditor's report on compliance for the major federal award programs for Coordinating and Development Corporation expresses an unmodified opinion.
 6. There were no audit findings relative to major federal award programs for Coordinating and Development Corporation.
- b. Federal Awards:
- Workforce Innovation & Opportunity Act (WIOA) -
Grants awarded totaling \$1,856,871
 - Economic Development - Grants awarded totaling \$70,000
- c. Identification of Major Programs:
- WIOA - Total revenues received during this year were \$1,856,871

Section II - Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:

- None

Section III - Findings and Questioned Costs for Federal Awards Which Shall Include Audit Findings as Defined by OMB Circular A-133:

- None

THE COORDINATING AND DEVELOPMENT CORPORATION
 MANAGEMENT'S CORRECTIVE ACTION PLAN
 FOR THE YEAR ENDED JUNE 30, 2018

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
No findings were reported in the schedule of findings and questioned cost.	Response - N/A
SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
No findings were reported in the schedule of findings and questioned cost.	Response - N/A
SECTION III MANAGEMENT LETTER	
No findings were reported in the schedule of findings and questioned cost.	Response - N/A

SUPPLEMENTARY INFORMATION

THE COORDINATING AND DEVELOPMENT CORPORATION
SUPPLEMENTARY INFORMATION IN ACCORDANCE WITH
LOUISIANA REVISED STATUTE 24:513(a)(3) (ACT 706 OF 2014)
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2018

Agency Head: Mr. Jack Skaggs

Salary	\$ 97,864
Benefits-insurance-health	<u>0</u>
Benefits-employer contribution to retirement plan	\$ 97,864
Automobile allowance	<u>0</u>
Mileage reimbursement	<u>0</u>

THE COORDINATING AND DEVELOPMENT CORPORATION
SUPPLEMENTARY INFORMATION IN ACCORDANCE WITH
LOUISIANA REVISED STATUTE 24:513(a)(3) (ACT 706 OF 2014)
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
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HEARD, McELROY, & VESTAL

LLC

CERTIFIED PUBLIC ACCOUNTANTS

333 TEXAS STREET, SUITE 1525
SHREVEPORT, LOUISIANA 71101
318-429-1525 PHONE • 318-429-2070 FAX

December 28, 2018

Board of Directors
Coordinating and Development Corporation
Shreveport, Louisiana

Louisiana Legislative Auditor
Baton Rouge, Louisiana

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by Coordinating and Development Corporation (CDC) 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 July 1, 2017 through June 30, 2018. CDC'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*, issued by the Comptroller General of the United States. 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) Budgeting, including preparing, adopting, monitoring, and amending the budget.

The entity has written policies and procedures, they were completed by the Board of Directors and Administrative changes during the current period.

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- b) Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Although written procedures exist, they do not address these requirements.

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

The entity does have written policies or procedures dealing with disbursements.

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

The entity has written procedures covering the handling of operating receipts.

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

The entity has written procedures covering payroll, these address review and approval of time and attendance records

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

The entity has written policies, although they do not address all the enumerated requirements concerning contracting.

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

- h) *The entity has written policies, although they do not address all the enumerated requirements concerning use credit, debit, fuel, or purchase cards.*

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

The entity has policies and procedures dealing with travel and expense reimbursements, but they do not address documentation requirements or required approvers.

- j) 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.

Although the entity has policies and procedures covering ethics, this section is not applicable to non-profit entities.

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

The entity has written procedures covering debt service.

Board (or Finance Committee, if applicable) (Not applicable due to no exceptions in prior year)

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.

The entity's Board of Directors met quarterly, in accordance with its charter.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

◀If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

Each meeting's minutes do not refer to budget-to-actual financial statement comparisons. No deficit spending took place during the fiscal year.

- 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.

At least one meeting's minutes referenced non-budgetary financial information.

Bank Reconciliations (Not applicable due to no exceptions in prior year)

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

A list of bank accounts was obtained from management, and management represented that the listing was 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). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

Bank reconciliations were prepared for all three accounts for each month in the fiscal year.

- 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

All bank reconciliations evidenced review by an independent member of management.

- 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.

No reconciling items greater than 6 months old were noted.

Collections (Not applicable due to no exceptions in prior year)

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

A listing of cash collection locations was obtained.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). For each cash collection location selected:

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed

by an outside party), and (3) not required to share the same cash register or drawer with another employee.

Each person responsible for handling cash is not bonded or insured. Each person responsible for collecting cash does not deposit the cash in the bank, record the cash transaction, and/or reconcile the related bank account.

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

The entity has a formal process to reconcile cash collections to the general ledger and operating various revenue billings by an independent individual.

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

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

No exceptions were noted.

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

No exceptions were noted.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Processes are in place to determine that all operating collections are complete.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments) **(Not applicable due to no exceptions in prior year, and mitigating controls are in place regarding the requisition/purchase order system related to supplies, services, and other recurring expenses)**

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

A listing of disbursements made during the year was obtained.

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

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

The entity does not use a purchase order system, which separates the initiation and approval functions, only for purchases of fixed assets or improvements to property; but not for supplies, services, or other recurring expenses. All invoices and related support, such as shipping documents, are approved for payment, but the approving individuals also may initiate the purchase.

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

No purchase orders for supplies, services, or other recurring expenses are utilized.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

All payments for purchases were supported by an approved invoice and when applicable, related shipping documents. As noted above, most purchases are not required to have a purchase order. The entity does not use formal receiving reports.

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

The same individual responsible for processing payments also is responsible for adding vendors to the entity's disbursement system.

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

Individuals with signatory authority also may initiate purchases, but may not record them.

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

The supply of unused checks is kept in a locked, fireproof cabinet under the custody of an individual with no check signing authority.

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

The entity does not use a signature stamp or signature machine.

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

(Not applicable due to no exceptions in prior year)

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

Management represented to us that the listing of credit cards is complete, and credit cards are maintained by the person to whom they are issued.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year.

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

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

The monthly statements are received, reviewed, and reconciled by a person other than the authorized card holder. Expenditures are reviewed and approved by management.

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

Not applicable.

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

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

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

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

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

The entity has policies and procedures in place to insure the transactions are supported by the attributes above, and no exceptions noted.

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

No exceptions noted.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any

exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted.

Travel and Expense Reimbursement **(Not applicable due to no exceptions in prior year)**

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

A listing of all travel and related expense reimbursements, by person, during the fiscal year was obtained from the general ledger; and a representation from management that the listing is complete.

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

The entity uses the guidelines of the State of Louisiana to reimburse travel and meals. The rates included in the entity's policy and for reimbursement did not exceed those stated in the guidelines.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

No exceptions were noted.

b) Report whether each expense is supported by:

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

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

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

No exceptions were noted.

c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions were noted.

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

No exceptions were noted.

Contracts (Not applicable due to no exceptions in prior year)

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

A listing of all contracts in effect during the year was obtained; and management's representation that the listing is complete.

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

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

A formal written contract supports the service arrangement and amount paid for each vendor selected.

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

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

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

No contract selected was subject to the Louisiana Public Bid Law or Procurement Code.

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

No contract selected was amended.

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

The invoice and related payment of each selected contract complied with its terms.

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

Not applicable.

Payroll and Personnel (Not applicable due to no exceptions in prior year)

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete.

A listing of all employees and their related compensation was obtained; and management's representation that the listing is complete.

Randomly select five employees/officials, obtain their personnel files, and:

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

Compensation paid to each selected employee was made in accordance with the terms and conditions of his contract or pay rate structure.

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

Pay rate or salary changes applicable to each selected employee were approved in writing and in accordance with written policy.

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

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

All applicable employees documented their daily attendance and leave.

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

Written documentation of approved attendance and leave records of all applicable employees is maintained.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

The entity maintained written leave records on all applicable employees tested.

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

A listing of all employees that terminated during the fiscal year was obtained. Their termination payments conformed to policy and were approved by management.

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

All employee and employer portions for payroll taxes and contributions, and related required reporting forms, were submitted to the applicable agencies by the required deadlines.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Not applicable

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Not applicable

Debt Service (excluding nonprofits)

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

Not applicable

If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Not applicable.

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

Not applicable.

Other **(Not applicable due to no exceptions in prior year)**

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

Management represented that the entity had no misappropriations of public funds or assets during the fiscal year.

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

We observed the notice posted on the entity's website and on its premises.

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

Not applicable.

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.

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

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana