

**PINE BELT MULTI-PURPOSE COMMUNITY ACTION
AGENCY, INC.
Jonesboro, Louisiana**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
WITH SUPPLEMENTAL INFORMATION
As of And for The Year Ended June 30, 2019**

BY

**ROSIE D. HARPER
CERTIFIED PUBLIC ACCOUNTANT, LLP**

**300 WASHINGTON STREET, SUITE 308 • MONROE, LOUISIANA 71201
OFFICE (318) 387-8008 FAX (318) 387-0806**

**PINE BELT MULTI-PURPOSE COMMUNITY ACTION
AGENCY, INC.
JONESBORO, LOUISIANA**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
WITH SUPPLEMENTAL INFORMATION
As of And for The Year Ended June 30, 2019**

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.
Jonesboro, Louisiana

**Financial Statements
and Independent Auditor's Report
with Supplemental Information
As of and for the Year Ended June 30, 2019**

CONTENTS

	<u>STATEMENTS</u>	<u>PAGE NO.</u>
Independent Auditor's Report		1-2
Financial Statements:		
Statement of Financial Position	A	4
Statement of Activities	B	5
Statement of Cash Flows	C	6
Statement of Functional Expenses	D	7
Notes to the Financial Statements		8-15
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 <i>Government Auditing Standards</i>		16-17
Independent Auditor's Report on Compliance for Each Major Program And On Internal Control Over Compliance Required by the Uniform Guidance		18-19
Supplemental Information:		
Schedule of Assets, Liabilities, and Net Assets		21
Schedule of Support, Revenue, Expenses, and Changes in Net Assets		22
Schedule of Cash Flows		23
Schedule of Functional Expenses		24
Schedule of Expenditure of Federal Awards		25
Schedule of Findings and Questioned Costs		26

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.
CONTENTS (Continued)

CONTENTS

General Unrestricted Funds	
For the Period: July 1, 2018 to June 30, 2019	27
Head Start Program Grant Award 06CH7145/04	
For the Contract Period: December 1, 2017 to November 30, 2018	28
Child and Adult Care Food Program	
For the Period: October 1, 2018 to September 30, 2019	29
Community Services Block Grant Contract No. 2018N0032	
For the Contract Period: October 1, 2017 to September 30, 2019	30
Community Services Block Grant Contract No. 2019N0032	
For the Contract Period: October 1, 2018 to September 30, 2020	31
Section 8 Housing Assistance Program	
For the Contract Period: October 1, 2017 to September 30, 2018	32
Summer Feeding Program	
For the Contract Period: June 1, 2018 to July 31, 2018	33
Parent Fundraising Accounts:	
Schedule of Changes in Cash Balances	34
Schedule of Board Members	35
Schedule of Compensation-Key Management	36



ROSIE D. HARPER

Certified Public Accountant, LLP

300 Washington Street, Suite 308 • Monroe, Louisiana 71201

Phone: (318) 387-8008 • Fax: (318) 387-0806

Independent Auditor's Report

To the Board of Directors of
Pine Belt Multi-Purpose Community Action Agency, Inc.
Jonesboro, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of Pine Belt Multi-Purpose Community Action Agency, Inc., (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

**Pine Belt Multi-Purpose Community Action Agency, Inc.
Independent Auditor's Report (Continued)**

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pine Belt Multi-Purpose Community Action Agency, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

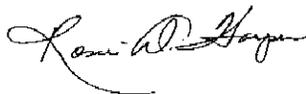
Other Matters

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. The information in Schedules 1 through 4 and 6 through 16 is also presented for purposes of additional analysis and is not a part of the required financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated December 27, 2019, on my consideration of Pine Belt Multi-Purpose Community Action Agency, Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pine Belt Multi-Purpose Community Action Agency, Inc.'s internal control over financial reporting and compliance.



Rosie D. Harper
Certified Public Accountant

Monroe, Louisiana
December 27, 2019

FINANCIAL STATEMENTS

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.
Statement of Financial Position
For the Year Ended
June 30, 2019

Assets

Cash and Cash Equivalents	\$ 121,660
Grant Receivable	176,732
Other Receivables	1,545
Property, Plant & Equipment (Net, Note F)	<u>136,022</u>
Total Assets	<u><u>435,959</u></u>

Liabilities and Net Assets

Liabilities:

Accrued Liabilities	256,152
Due to Grantor Agency	<u>38,704</u>
Total Liabilities	<u><u>294,856</u></u>

Net Assets:

Without Donor Restrictions	
Investment in Fixed Assets	136,022
Operating	<u>(1,827)</u>
Total Without Donor Restrictions	134,195
With Donor Restrictions	6,908
Total Net Assets	<u><u>141,103</u></u>
Total Liabilities and Net Assets	<u><u>\$ 435,959</u></u>

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.

Statement of Activities

For the Year Ended

June 30, 2019

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS

Revenue and Gains	
Donation (Police Jury)	\$ 25,000
Inkind Contributions	774,994
Interest Income	101
Other Revenues	40,255
Total Other Support	<u>840,350</u>
TOTAL REVENUES AND GAINS WITHOUT DONOR RESTRICTIONS	<u>840,350</u>
Net Assets Released from Restrictions	
Restrictions Satisfied by Payments	<u>4,387,868</u>
TOTAL REVENUES, GAINS AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS	<u>5,228,218</u>
Expenses	
Program Expenses	5,023,199
General and Administrative Expenses	202,277
Total Expenses	<u>5,225,476</u>
INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>2,742</u>

CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS

Revenue and Gains	
Grants	
Federal	<u>4,365,603</u>
TOTAL REVENUES AND GAINS WITH DONOR RESTRICTIONS	<u>4,365,603</u>
Net Assets Released from Restrictions	
Restrictions Satisfied by Payments	<u>(4,387,868)</u>
DECREASE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>(22,265)</u>
DECREASE IN NET ASSETS	(19,523)
Net Assets as of Beginning of Year	<u>160,626</u>
Net Assets as of End of Year	<u>\$ 141,103</u>

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.
Statement of Cash Flows
For the Year Ended
June 30, 2019

Operating Activities	<u>All Funds</u>
Change in Net Assets	\$ (19,523)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Provision for Depreciation	6,923
Increase in Grants Receivable	(142,956)
Increase in Accounts Payable/Accrued Liabilities	<u>141,134</u>
Total Adjustments	<u>5,101</u>
Net Cash Used by Operating Activities	<u>(14,422)</u>
 Financing Activities	
Principal Payments on Line of Credit	<u>(8,260)</u>
Net Cash Used by Financing Activities	<u>(8,260)</u>
Net Decrease in Cash and Cash Equivalents	<u>(22,682)</u>
Cash and Cash Equivalents as of Beginning of Year	<u>144,342</u>
Cash and Cash Equivalents as of The End of Year	<u>\$ 121,660</u>
 Supplemental Information:	
Interest Paid	<u>\$ 388</u>

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.
Statement of Functional Expenses
For the Year Ended
June 30, 2019

	Program Services	Support Services		Total Expenses
		General and Administrative	Total Support Services	
Personnel Costs				
Salaries and Wages	\$ 2,542,432	\$ 122,416	\$ 122,416	\$ 2,664,848
Payroll Taxes and Other Fringe Benefits	430,651	28,021	28,021	458,672
Total Personnel Costs	<u>2,973,083</u>	<u>150,437</u>	<u>150,437</u>	<u>3,123,520</u>
Other Expenses				
Client and Assistance Payments	87,779	-	-	87,779
Community Outreach	3,347	-	-	3,347
Depreciation	6,923	-	-	6,923
Food and Related Supplies	294,033	-	-	294,033
In-kind-Facilities/Volunteers	774,994	-	-	774,994
Insurance	6,467	886	886	7,353
Interest	-	388	388	388
Occupancy	106,990	11,615	11,615	118,605
Other Direct Activity Expense	67,385	-	-	67,385
Other General and Administrative Expenses	-	26,053	26,053	26,053
Other Program Expense	88,613	-	-	88,613
Professional Services	44,736	1,970	1,970	46,706
Program Administrative Expense Reimbursement	884	-	-	884
Repairs & Maintenance	208,259	1,755	1,755	210,014
Supplies and Postage	117,052	5,396	5,396	122,448
Telephone	41,774	1,955	1,955	43,729
Training & Development	14,892	-	-	14,892
Travel	3,882	1,120	1,120	5,002
Vehicle Operation	182,106	702	702	182,808
Total Other Expenses	<u>2,050,116</u>	<u>51,840</u>	<u>51,840</u>	<u>2,101,956</u>
Total Functional Expenses	<u>\$ 5,023,199</u>	<u>\$ 202,277</u>	<u>\$ 202,277</u>	<u>\$ 5,225,476</u>

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.
Jonesboro, Louisiana

Notes to Financial Statements
As of and For the Year Ended June 30, 2019

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Pine Belt Multi-Purpose Community Action Agency, Inc. (Pine Belt) is a private nonprofit corporation incorporated under the law of the State of Louisiana. Pine Belt is governed by a board of Directors composed of members from Jackson, Bienville, Morehouse, Red River, Sabine and Winn Parishes which are parishes that Pine Belt serves. Pine Belt operates as a community action agency administering various federal and state funded programs designed to provide assistance to the poor and disadvantaged in these parishes in Louisiana. The following programs, with their approximate percentage of total revenues indicated, are administered by Pine Belt:

Head Start Program (76%) - Provides comprehensive early child development for disadvantaged and handicapped preschool children and their families. Funding is provided by the federal funds from U.S.D.A. Department of Health and Human Services.

Child and Adult Care Food Program (5%)-Provides a food service program in coordination with the Head Start and Summer Child Care Assistance Programs. Funding is provided by the federal funds from U.S.D.A. passed through the Louisiana Department of Education.

Community Service Block Grant (10%) - Administers programs designed to provide services and activities that will have a measurable impact on causes of poverty in the community. Funding is provided by federal funds passed through the Louisiana Workforce Commission, Office of Workforce Development.

Emergency Food and Shelter Program (0%) – Provides emergency food and shelter in areas of high need through-out the community to persons based upon their unemployment or poverty status. The program is a federally-funded program administrated by the Federal Emergency Management Agency (FEMA) with funds passing through a local governing board.

Section 8 Housing Assistance Programs (2%)-Provides a housing subsidy program funded by the United States Department and Urban Development. Pine Belt has entered into a contract to administer the program for Jackson Parish in Louisiana. The program provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe, and sanitary housing for low-income families at rent they can afford. Housing assistance payments are used to make up the difference between the approved rent due to the owner for the dwelling unit and the occupant's family at required contribution toward the rent.

Summer Food Service Programs (6%)-Provides a food service program for needy children during summer months when area schools are closed for the summer. Funding is provided by the federal funds passed through the Louisiana Department of Education.

General Assistance (1%) - Accounts for other incidental programs and miscellaneous administrative activities and other general operations of the agency that are not charged to a specific fund. Revenue consists of miscellaneous receipts collected during the year.

Pine Belt Multi-Purpose Community Action Agency, Inc.
Notes to Financial Statements (Continued)

Income Tax Status

Pine Belt is a non-profit corporation and is exempt from state and federal income taxes under Section 501 (c) (3) of Internal Revenue Code. However, income from certain activities not directly related to Pine Belt's tax-exempt purpose would be subject to taxation as unrelated business income. Pine Belt had no such income for this audit period.

Public Support and Revenue

In order to comply with restrictions that donors place on grants and other gifts as well as designations made by its governing board, the principles of reporting net assets are used. Revenue and public support consist mainly of governmental grants and contributions. Contributions of cash and other assets are reported as net assets with donor restrictions if they are received with donor restrictions or restrictions designated by the governing board. Contributions are considered to be without restrictions unless restricted by the donor, and are reported as net assets without donor restrictions. All assets over which the Board of Directors has discretionary control have been included in the General Fund.

Depreciation

The Organization follows the practice of capitalizing, at cost, all expenditures for fixed assets in excess of \$5,000. Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows:

Building and improvements	30 years
Furniture and equipment	7 years

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.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents. Under state law, the agency may deposit funds in demand accounts, interest bearing accounts, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The Organization had no cash equivalents during the audit period. On June 30, 2019, the Organization had cash totaling \$121,660 as follows:

Without Donor Restrictions	\$ 33,625
With Donor Restrictions	<u>88,035</u>
Total Cash	<u>\$ 121,660</u>

Pine Belt Multi-Purpose Community Action Agency, Inc.
Notes to Financial Statements (Continued)

Total Columns

Total columns are presented to facilitate financial analysis. Data in these columns do not present financial position results of operations and changes in net assets in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE B. OPERATING LEASE

Pine Belt leases certain buildings under operating leases. Some leases contain renewal options for periods ranging from one to five years. The rental costs on the buildings for the year ended June 30, 2019, was \$15,600 and for equipment was \$2,970. Future minimum lease payments under leases that have remaining terms in excess of one year as of June 30, 2019, are:

<u>Fiscal Year</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Equipment</u>
2020	\$ 15,000	\$ 3,564	\$ 18,564
2021	6,000	3,564	9,564
2022	2,400	3,564	5,964
2023	-	594	594
Total	<u>\$ 23,400</u>	<u>\$ 11,286</u>	<u>\$ 34,686</u>

NOTE C. GRANT RECEIVABLES

At June 30, 2019, the Organization had grant receivables as follows:

Louisiana Department of Labor (Community Service Block Grant)	\$ 22,520
Louisiana Department of Education (Summer Feeding Program)	88,789
U. S. Department of Health and Human Services (Head Start)	65,423
Total	<u>\$ 176,732</u>

NOTE D. FUNCTIONAL ALLOCATION OF EXPENSES

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

NOTE E. COMPENSATED ABSENCES

Compensated absences are absences for which employees will be paid, such as vacation, and/or sick leave. The Organization has a formal policy for accumulation and vesting of vacation, annual leave, and sick leave which is based on the length of service. The days that are granted are included in annual salaries. Employees may accrue vacation leave up to 144 hours. Upon an employee's separation of employment, earned and/or accrued leave will be paid up to maximum of 80 hours. Employees can also accrue sick leave, but accumulated sick leave is forfeited upon separation of employment. For the year ended June 30, 2019, the total amount for accumulated days for compensated absences was \$24,184.

Pine Belt Multi-Purpose Community Action Agency, Inc.
Notes to Financial Statements (Continued)

NOTE F. PROPERTY, PLANT AND EQUIPMENT

Property and Equipment consists of the following at June 30, 2019:

	Estimated Depreciable Life	Purchased with Federal Funds	Purchased with Non- Federal Funds	Total
Buildings	20-30 Years	\$ 208,789	\$ -	\$ 208,789
Furniture and Equipment	5-7 Years	524,295	48,851	573,146
Vehicles	5 Years	787,848	103,008	890,856
Land and Site Improvements		84,215	20,000	104,215
Accumulated Depreciation		(1,489,125)	(151,859)	(1,640,984)
Net Investments in Property and Equipment		<u>\$ 116,022</u>	<u>\$ 20,000</u>	<u>\$ 136,022</u>

Depreciation for the year ended June 30, 2019 was \$6,923.

Land and site improvements include a lot valued at \$20,000 donated to Pine Belt by the Town of Jonesboro in December of 2001 to provide Head Start or other educational services. The donation deed stipulates that if Pine Belt ceases to use the property as a Head Start or other educational facility for a period of six months, the property is to immediately revert to the donor. The Department of Health and Human Services provided funding for the site improvement and construction of the building located on the property.

NOTE G. LIABILITIES

At June 30, 2019, the Organization had liabilities totaling \$294,856 consisting of the following:

Accounts Payable	\$	168,348
Due Grantor Agency		38,704
Accrued Leave		24,184
Payroll Liabilities		63,620
Total	<u>\$</u>	<u>294,856</u>

NOTE H. BUDGET PRACTICES

The Organization prepares an annual budget that is approved by the Board of Directors. As a result, “budget to actual” comparative statements are presented as supplemental information.

NOTE I. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject Pine Belt to concentrations of credit risk consist principally of cash and grants receivables. Concentrations of credit risk with respect to grant receivables are limited because the amounts which are due from governmental agencies are under contractual terms. As of June 30, 2019, Pine Belt had no significant concentration of credit risk in relation to grant receivables.

Accounts at the institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2019, total cash balances held at the financial institutions was \$121,660 and were covered 100% by FDIC.

Pine Belt Multi-Purpose Community Action Agency, Inc.
Notes to Financial Statements (Continued)

NOTE J. NET ASSETS WITHOUT DONOR RESTRICTIONS

As of June 30, 2019, net assets of the Organization without donor restrictions consisted of the following programs:

	Operating	Investment in Fixed Assets	Total
General Services	\$ (1,827)	\$ -	\$ (1,827)
Head Start	-	135,503	135,503
Community Service	-	519	519
Total	<u>\$ (1,827)</u>	<u>\$ 136,022</u>	<u>\$ 134,195</u>

NOTE K. NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2019, net assets of the Organization with donor restrictions consisted of the following programs:

Headstart	\$ 4,846
Child Nutrition Services	539
Emergency Food & Shelter	9
Housing Services	1,514
Total	<u>\$ 6,908</u>

These funds are restricted to be used for the operations of these programs. All restrictions were temporary.

NOTE L. CONTRACTUAL REVENUE GRANTS

During the year ended June 30, 2019, Pine Belt received contractual revenue from federal grants in the amount of \$4,365,603. The continual existence of these funds is based on annual contract renewals with various funding sources.

NOTE M. LIQUIDITY MANAGEMENT

As of June 30, 2019, the following financial assets could be made readily available within one year of the statement of financial position date to meet general expenditures:

Cash	\$ 121,660
Grants Receivable	176,732
Other Receivables	1,545
Total	<u>\$ 299,937</u>

As part of its liquidity management, the Organization has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due.

Pine Belt Multi-Purpose Community Action Agency, Inc.
Notes to Financial Statements (Continued)

NOTE N. RETIREMENT OBLIGATIONS

In December 2701, Pine Belt began participating in a 403 (b) deferred compensation program whereby an amount up to 6% of the salary of eligible employees is contributed to the program. The amount contributed for the year ended June 30, 2019 was \$35,531.

NOTE O. PARENT FUNDRAISING ACCOUNTS

The Organization operates seven head start centers. Each of the centers maintains a bank account for its parent fundraising activities. The funds deposited to these accounts are independent of the federal Head Start grant. A summary schedule of the financial activity for the parent fundraising bank accounts is presented as Schedule 14 in the Supplemental Information section of this report.

NOTE P. PARTNERSHIP INVESTMENT

Pine Belt is a member in the following limited partnership:

Pine Belt serves as the Managing General Partner for Sabine Housing 1994 Partners, a Louisiana Partnership in Commendam, organized and operated for the construction, ownership and management of a forty-unit apartment complex in Many, Louisiana known as William E. Ruffin Apartments, permanent financing provided with funds provided by the Home Affordable Rental Program and tax credits through regulatory agreements with Louisiana Housing Finance Agency.

Pine Belt serves as the Managing General Partner for Northwood Apartments Partnership, a Louisiana Partnership in Commendam, organized and operated for the construction, ownership and management of a forty-unit apartment complex in Bastrop, Louisiana, known as Northwood Apartments, permanent financing provided with funds provided by the Home Affordable Rental Program and tax credits through regulatory agreements with Louisiana Housing Finance Agency.

Pine Belt serves as the Managing General Partner for Maplewood Apartments Partnership, a Louisiana Partnership in Commendam, organized and operated for the construction, ownership and management of a forty-unit apartment complex in Winnfield, Louisiana, known as Maplewood Apartments, permanent financing provided with funds provided by the Home Affordable Rental Program and tax credits through regulatory agreements with Louisiana Housing Finance Agency.

Pine Belt serves as the Managing General Partner for Bienville Partnership, a Louisiana Partnership organized and operated for the purchase, remodeling and ownership and management of a thirty-two-unit apartment complex in Ringgold, Louisiana, known as Bienville Apartments, permanent financing provided with funds provided by the Home Affordable Rental Program and tax credits through regulatory agreements with Louisiana Housing Finance Agency.

Pine Belt serves as the Managing General Partner for Many Partnership organized and operated for the purchase, remodeling and ownership and management of a thirty-two-unit apartment complex in Many, Louisiana, known as Many Apartments, permanent financing provided with funds provided by the Home Affordable Rental Program and tax credits through regulatory agreements with Louisiana Housing Finance Agency.

Pine Belt Multi-Purpose Community Action Agency, Inc.
Notes to Financial Statements (Continued)

NOTE P. PARTNERSHIP INVESTMENT (continued)

Pine Belt serves as the Managing General Partner for Timbers Apartments II Partnership organized and operated for the purchase, remodeling and ownership and management of a forty-eight-unit apartment complex in Many, Louisiana, known as Timbers Apartments, permanent financing provided with funds provided by the Home Affordable Rental Program and tax credits through regulatory agreements with Louisiana Housing Finance Agency.

Pine Belt serves as the Managing General Partner for Jackson Square Apartments, II Partnership organized and operated for the purchase, remodeling and ownership management of a thirty-two-unit apartment complex in Jonesboro, Louisiana, known as Jackson Square Apartments, permanent financing provided with funds provided by the Home Affordable Rental Program and tax credits through regulatory agreements with Louisiana Housing Finance Agency.

Pine Belt serves as the Managing General Partner for Riverwood Apartments Partnership organized and operated for the purchase, remodeling and ownership management of a forty-eight-unit apartment complex in Coushatta, Louisiana, known as Riverwood Apartments, permanent financing provided with funds provided by the Home Affordable Rental Program and tax credits through regulatory agreements with Louisiana Housing Finance Agency.

Pine Belt serves as the Managing General Partner for Rockwood Apartments II Partnership organized and operated for the purchase, remodeling and ownership management of a thirty-two-unit apartment complex in Winnfield, Louisiana, known as Rockwood Apartments, permanent financing provided with funds provided by the Home Affordable Rental Program and tax credits through regulatory agreements with Louisiana Housing Finance Agency.

Pine Belt serves as the Managing General Partner for Many Senior Apartments, ALPIC organized and operated for the purchase, remodeling and ownership management of a thirty-two-unit apartment complex in Many, Louisiana, known as Many Senior Apartments, permanent financing provided with funds provided by the Home Affordable Rental Program and tax credits through regulatory agreements with Louisiana Housing Finance Agency.

Pine Belt serves as the Managing General Partner for Coushatta Senior Apartments, ALPIC organized and operated for the purchase, remodeling and ownership management of a thirty-two-unit apartment complex in Coushatta, Louisiana, known as Coushatta Senior Apartments, permanent financing provided with funds provided by the Home Affordable Rental Program and tax credits through regulatory agreements with Louisiana Housing Finance Agency.

Pine Belt serves as the Managing General Partner for Shady Lane Senior Apartments, ALPIC organized and operated for the purchase, remodeling and ownership management of a thirty-two-unit apartment complex in Winnfield, Louisiana, known as Shady Lane Senior Apartments, permanent financing provided with funds provided by the Home Affordable Rental Program and tax credits through regulatory agreements with Louisiana Housing Finance Agency.

Pine Belt received a management fee from these partnerships for being the Managing General Partner in the amount of \$11,530 for the period ending June 30, 2019.

Pine Belt Multi-Purpose Community Action Agency, Inc.
Notes to Financial Statements (Continued)

NOTE Q. IN-KIND CONTRIBUTIONS

Head Start programs must provide at least 20% of their operating costs through in-kind donations or cash. The Organization meets its match requirement through in-kind contributions of services and donated facilities. These in-kind contributions are recognized using an estimated value of what the Organization would be willing to pay for these same services or facility cost at market value. For the year ending June 30, 2019, the Organization received an estimated value of \$774,994 in donated services and facility space.

NOTE R. UNCERTAIN TAX POSITIONS

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 27, 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by Internal Revenue Service for the years ended June 30, 2017, 2018, and 2019; however, there are currently no audits for any tax period in progress.

NOTE S. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 27, 2019, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.



ROSIE D. HARPER

Certified Public Accountant, LLP

300 Washington Street, Suite 308 • Monroe, Louisiana 71201

Phone: (318) 387-8008 • Fax: (318) 387-0806

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

To the Board of Directors of
Pine Belt Multi-Purpose Community Action Agency, Inc.
Jonesboro, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Pine Belt Multi-Purpose Community Action Agency, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated December 27, 2019.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Pine Belt Multi-Purpose Community Action Agency, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Pine Belt Multi-Purpose Community Action Agency, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control.

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

My consideration of internal control was for the limited purpose described in the 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

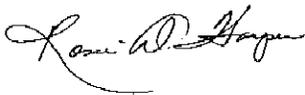
Independent Auditor's Report On Internal Control Over Financial Reporting and on Compliance and Other Matters Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards* (Continued)

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Rosie D. Harper
Certified Public Accountant

Monroe, Louisiana
December 27, 2019



ROSIE D. HARPER

Certified Public Accountant, LLP

300 Washington Street, Suite 308 • Monroe, Louisiana 71201

Phone: (318) 387-8008 • Fax: (318) 387-0806

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

To the Board of Directors
Pine Belt Multi-Purpose Community Action Agency, Inc
Jonesboro, Louisiana

Report on Compliance for Each Major Federal Program

I have audited Pine Belt Multi-Purpose Community Action Agency, Inc's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Pine Belt Multi-Purpose Community Action Agency, Inc's major federal programs for the year ended June 30, 2019. Pine Belt Multi-Purpose Community Action Agency, Inc's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of Pine Belt Multi-Purpose Community Action Agency, Inc's compliance.

Opinion on Each Major Federal Program

In my opinion, Pine Belt Multi-Purpose Community Action Agency, Inc 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, 2019.

**Independent Auditor's Report On Compliance For Each Major Program And On Internal Control Over Compliance
Required by the Uniform Guidance (Continued)**

Other Matters

The results of my auditing procedures did not disclose any instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance.

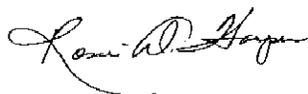
Report on Internal Control Over Compliance

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

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

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I 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 my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Rosie D. Harper
Certified Public Accountant

Monroe, Louisiana
December 27, 2019

SUPPLEMENTAL INFORMATION

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.
 Schedule of Assets, Liabilities, and Net Assets
 For the Year Ended
 June 30, 2019

Assets	Without Donor Restrictions		With Donor Restrictions					Total	
	General	Head Start Program	Child Nutrition Services	Community Services	Emergency Food and Shelter	Housing Services	Summer Food Service	Total	Funds
Cash and Cash Equivalents	\$ 33,625	\$ 11,667	\$ 539	\$ 16,665	\$ 38,713	\$ 1,514	\$ 18,937	\$ 88,035	\$ 121,660
Grants Receivables	-	65,423	-	22,520	-	-	88,789	176,732	176,732
Other Receivables	-	1,545	-	-	-	-	-	1,545	1,545
Due from Other Funds	38,623	-	-	-	-	-	-	-	38,623
Property, Plant & Equipment (Net)	-	135,503	-	519	-	-	-	136,022	136,022
Total Assets	72,248	214,138	539	39,704	38,713	1,514	107,726	402,334	474,582
Liabilities and Net Assets									
Liabilities:									
Accrued Liabilities	74,075	73,789	-	22,520	-	-	85,768	182,077	256,152
Due to Grantor Agency	-	-	-	-	38,704	-	-	38,704	38,704
Due to Other Funds	-	-	-	16,665	-	-	21,958	38,623	38,623
Total Liabilities	74,075	73,789	-	39,185	38,704	-	107,726	259,404	333,479
Net Assets:									
Without Donor Restrictions:									
Investment in Fixed Assets	-	135,503	-	519	-	-	-	136,022	136,022
Operating	(1,827)	-	-	-	-	-	-	-	(1,827)
Total Without Donor Restrictions	(1,827)	135,503	-	519	-	-	-	136,022	134,195
With Donor Restrictions	-	4,846	539	-	9	1,514	-	6,908	6,908
Total Net Assets	(1,827)	140,349	539	519	9	1,514	-	142,930	141,103
Total Liabilities and Net Assets	\$ 72,248	\$ 214,138	\$ 539	\$ 39,704	\$ 38,713	\$ 1,514	\$ 107,726	\$ 402,334	\$ 474,582

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.
 Schedule of Support, Revenue, Expenses, and Changes in Net Assets
 For the Year Ended
 June 30, 2019

Schedule 2

	Without Donor Restrictions		With Donor Restrictions					Total	
	General	Head Start Program	Child Nutrition Services	Community Services	Emergency Food and Shelter	Housing Services	Summer Food Service	Total	Funds
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS									
Revenue and Gains									
Donation (Police Juries)	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000
Inkind Contributions	-	774,994	-	-	-	-	-	774,994	774,994
Interest	-	86	-	-	-	15	-	101	101
Other Revenues	40,166	89	-	-	-	-	-	89	40,255
Total Support	65,166	775,169	-	-	-	15	-	775,184	840,350
TOTAL REVENUES AND GAINS WITHOUT DONOR RESTRICTIONS	65,166	775,169	-	-	-	15	-	775,184	840,350
Net Assets Released from Restrictions									
Restrictions Satisfied by Payments	4,387,868	-	-	-	-	-	-	-	4,387,868
TOTAL REVENUES, GAINS AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS	4,453,034	775,169	-	-	-	15	-	775,184	5,228,218
Expenses									
Program Expense	4,248,205	774,994	-	-	-	-	-	774,994	5,023,199
General and Administrative Expenses	202,277	-	-	-	-	-	-	-	202,277
Total Expenses	4,450,482	774,994	-	-	-	-	-	774,994	5,225,476
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	2,552	175	-	-	-	15	-	190	2,742
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS									
Revenue and Gains									
Grants									
Federal	-	3,157,958	281,164	497,074	-	97,930	331,477	4,365,603	4,365,603
TOTAL REVENUES AND GAINS WITH DONOR RESTRICTIONS	-	3,157,958	281,164	497,074	-	97,930	331,477	4,365,603	4,365,603
Net Assets Released from Restrictions									
Restrictions Satisfied by Payments	-	(3,164,709)	(296,196)	(497,421)	-	(98,065)	(331,477)	(4,387,868)	(4,387,868)
INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS	-	(6,751)	(15,032)	(347)	-	(135)	-	(22,265)	(22,265)
INCREASE (DECREASE) IN NET ASSETS	2,552	(6,576)	(15,032)	(347)	-	(120)	-	(22,075)	(19,523)
NET ASSETS AT THE BEGINNING OF THE YEAR	(4,379)	146,925	15,571	866	9	1,634	-	165,005	160,626
NET ASSETS AT THE END OF THE YEAR	\$ (1,827)	\$ 140,349	\$ 539	\$ 519	\$ 9	\$ 1,514	\$ -	\$ 142,930	\$ 141,103

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.
Schedule of Cash Flows
For the Year Ended
June 30, 2019

	Without Donor Restrictions	With Donor Restrictions						Total	
	General	Head Start Program	Child Nutrition Services	Community Services	Emergency Food and Shelter	Housing Services	Summer Food Service	Total	Funds
Operating Activities									
Change in Net Assets	\$ 2,552	\$ (6,576)	\$ (15,032)	\$ (347)	\$ -	\$ (120)	\$ -	\$ (22,075)	\$ (19,523)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:									
Provision for Depreciation	-	6,576	-	347	-	-	-	6,923	6,923
Decrease (Increase) in Grants Receivable/Other Receivables	-	(63,630)	-	(2,457)	-	-	(76,869)	(142,956)	(142,956)
Decrease (Increase) in Due from Other Funds	(10,332)	3,493	-	-	-	-	-	3,493	(6,839)
Increase (Decrease) in Accounts Payable/Accrued Liabilities	(24,106)	60,344	-	19,128	-	-	85,768	165,240	141,134
Increase (Decrease) in Due to Other Funds	7,625	-	(3,493)	(6)	-	-	2,713	(786)	6,839
Total Adjustments	(26,813)	6,783	(3,493)	17,012	-	-	11,612	31,914	5,101
Net Cash Provided (Used) by Operating Activities	(24,261)	207	(18,525)	16,665	-	(120)	11,612	9,839	(14,422)
Financing Activities									
Principal Payments on Line of Credit	(8,260)	-	-	-	-	-	-	-	(8,260)
Net Cash Provided (Used) by Financing Activities	(8,260)	-	-	-	-	-	-	-	(8,260)
Net Increase (Decrease) in Cash and Cash Equivalents	(32,521)	207	(18,525)	16,665	-	(120)	11,612	9,839	(22,682)
Cash and Cash Equivalents as of Beginning of Year	66,146	11,460	19,064	-	38,713	1,634	7,325	78,196	144,342
Cash and Cash Equivalents as of the End of Year	\$ 33,625	\$ 11,667	\$ 539	\$ 16,665	\$ 38,713	\$ 1,514	\$ 18,937	\$ 88,035	\$ 121,660
Supplemental Information:									
Interest Paid	\$ 388	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 388

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.

Schedule of Functional Expenses

For the Year Ended

June 30, 2019

	Without Donor	With Donor Restrictions (Temporarily Restricted/Reclassified to Without Donor Restrictions)						Total	Total
	Restrictions	Head Start	Child Nutrition	Community	Emergency	Housing	Summer		
	General	Program	Services	Services	Food and Shelter	Services	Food Service		
General & Administrative									
Personnel Costs									
Salaries and Wages	\$ -	\$ -	\$ -	\$ 97,806	\$ -	\$ -	\$ 24,610	\$ 122,416	\$ 122,416
Payroll Taxes and Other Fringe Benefits	-	-	-	25,232	-	-	2,789	28,021	28,021
Total Personnel Costs	-	-	-	123,038	-	-	27,399	150,437	150,437
Other Expenses									
Insurance	767	-	-	-	-	-	119	119	886
Interest	388	-	-	-	-	-	-	-	388
Occupancy	11,615	-	-	-	-	-	-	-	11,615
Other General and Administrative Expenses	608	-	-	25,445	-	-	-	25,445	26,053
Professional Services	812	-	-	-	-	-	1,158	1,158	1,970
Repairs & Maintenance	1,755	-	-	-	-	-	-	-	1,755
Supplies and Postage	5,271	-	-	-	-	-	125	125	5,396
Telephone	1,955	-	-	-	-	-	-	-	1,955
Travel	51	-	-	556	-	-	513	1,069	1,120
Vehicle Operating Expense	702	-	-	-	-	-	-	-	702
Total Other Expenses	23,924	-	-	26,001	-	-	1,915	27,916	51,840
Total General & Administrative	23,924	-	-	149,039	-	-	29,314	178,353	202,277
Program Expenses									
Personnel Costs									
Salaries and Wages	28,757	2,068,412	151,854	229,853	-	-	63,556	2,513,675	2,542,432
Payroll Taxes and Other Fringe Benefits	2,990	361,745	10,027	50,797	-	-	5,092	427,661	430,651
Total Personnel Costs	31,747	2,430,157	161,881	280,650	-	-	68,648	2,941,336	2,973,083
Other Expenses									
Client and Assistance Payments	446	-	-	-	-	87,333	-	87,333	87,779
Community Outreach	3,347	-	-	-	-	-	-	-	3,347
Depreciation	-	6,576	-	347	-	-	-	6,923	6,923
Food and Related Supplies	-	-	128,261	-	-	-	165,772	294,033	294,033
In-kind-Facilities/Volunteers	-	774,994	-	-	-	-	-	774,994	774,994
Insurance	-	6,467	-	-	-	-	-	6,467	6,467
Occupancy	-	104,140	-	-	-	-	2,850	106,990	106,990
Other Direct Activity Expense	-	-	-	67,385	-	-	-	67,385	67,385
Other Program Expense	3,130	41,748	-	-	-	10,732	33,003	85,483	88,613
Professional Services	-	44,736	-	-	-	-	-	44,736	44,736
Printing & Advertising	-	884	-	-	-	-	-	884	884
Repairs and Maintenance	-	208,259	-	-	-	-	-	208,259	208,259
Supplies and Postage	20	79,777	6,054	-	-	-	31,201	117,032	117,052
Telephone	-	41,774	-	-	-	-	-	41,774	41,774
Training & Development	-	14,892	-	-	-	-	-	14,892	14,892
Travel	-	3,193	-	-	-	-	689	3,882	3,882
Vehicle Operation	-	182,106	-	-	-	-	-	182,106	182,106
Total Other Expenses	6,943	1,509,546	134,315	67,732	-	98,065	233,515	2,043,173	2,050,116
Total Program Expenses	38,690	3,939,703	296,196	348,382	-	98,065	302,163	4,984,509	5,023,199
Total Functional Expenses	\$ 62,614	\$ 3,939,703	\$ 296,196	\$ 497,421	\$ -	\$ 98,065	\$ 331,477	\$ 5,162,862	\$ 5,225,476

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.
 Schedule of Expenditures of Federal Awards
 For the Year Ended
 June 30, 2019

SOURCE OF FEDERAL ASSISTANCE AGENCY	FEDERAL CFDA NUMBER	FEDERAL EXPENDITURES
U.S. Department of Health and Human Services		
Direct Programs:		
Head Start	93.600	\$ 3,157,958
Passed Through Louisiana Workforce Commission Office of Workforce Development Community Services Block Grant	93.569	497,074
Total U.S. Department of Health and Human Services		3,655,032
U.S. Department of Housing and Urban Development		
Direct Programs:		
Section 8 Housing Assistance Payment Program-(Jackson Parish and Portability)	14.871	97,930
Total U.S. Department of Housing and Urban Development		97,930
U.S. Department of Agriculture		
Passed Through Louisiana Department of Education		
Child and Adult Care Food Program	10.558	281,164
Summer Food Services Program	10.559	331,477
Total U.S. Department of Agriculture		612,641
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ 4,365,603

**PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2019**

The accompanying schedule of expenditures of federal awards includes the federal award activity of Pine Belt Multi-Purpose Community Action Agency, Inc. under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of Pine Belt Multi-Purpose Community Action Agency, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Pine Belt Multi-Purpose Community Action Agency, Inc.

The Organization has elected to use the 10 percent de minimus indirect cost rate as allowed under Uniform Guidance.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.
Jonesboro, Louisiana

Schedule of Findings and Questioned Costs
June 30, 2019

NOTE A. SUMMARY OF AUDIT RESULTS

1. Financial Statements:

Type of auditor's report issued: Unmodified

2. Internal Control Over Financial Reporting

- a. Material weakness identified? No
- b. Significant deficiencies identified? None
- c. Noncompliance material to financial statements noted? No

3. Federal Awards:

- a. Material weakness identified? No
- b. Significant deficiencies identified? None
- c. Type of auditor's report issued on compliance for major programs: Unmodified
- d. Any audit finding disclosed that are required to be reported in accordance by Uniform Guidance? None
- e. Identification of major programs:

<u>CDEFA Number</u>	<u>Name of Federal Program</u>
93.600	Head Start
93.569	Community Services Block Grant

Dollar threshold used to distinguish between type A and Type B Programs: \$750,000.

- f. Auditee qualified as low-risk auditee? Yes

NOTE B. FINANCIAL STATEMENTS FINDINGS

NONE

NOTE C. FEDERAL AWARD FINDINGS AND QUESTION COSTS

NONE

General Unrestricted Fund
 Schedule of Revenues, Expenses, and Changes in Net Assets
 For the Year Ended
 June 30, 2019

Revenue	
Police Jury Grants and Contributions	\$ 25,000
Miscellaneous Income	40,166
Total Revenue	<u>65,166</u>
Expenses	
Personnel Costs	
Salaries and Wages	28,757
Payroll Taxes and Other Fringe Benefits	2,990
Total Personnel Costs	<u>31,747</u>
Other Expenses	
Client and Assistance Payments	446
Community Outreach	3,347
Food & Related Supplies	-
Insurance	767
Interest	388
Miscellaneous	3,738
Occupancy	11,615
Professional Services	812
Repairs & Maintenance	1,755
Supplies	5,291
Telephone	1,955
Travel	51
Vehicle Operation	702
Total Other Expenses	<u>30,867</u>
Total Expenses	<u>62,614</u>
Net Change in Net Assets	2,552
Net Assets, July 1, 2018	<u>(4,379)</u>
Net Assets, June 30, 2019	<u><u>\$ (1,827)</u></u>

See Accompanying Auditor's Report and Notes to Financial Statements.

Head Start Grant No. 06CH7145-05-03
 Schedule of Revenues, Expenses, and Changes in Net Assets
 Budget to Actual

For the Contract Period: December 1, 2017 to November 30, 2018

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenue			
Amount Awarded this Budget Period	\$ 2,998,455	\$ 2,998,455	\$ -
Total Head Start Grant Revenues	<u>2,998,455</u>	<u>2,998,455</u>	<u>-</u>
Interest Income	59	59	-
Grantee's Contribution	<u>749,614</u>	<u>749,614</u>	<u>-</u>
Total Revenues	<u>3,748,128</u>	<u>3,748,128</u>	<u>-</u>
Expenses			
Personnel Costs			
Salaries and Wages	2,125,548	2,004,504	121,044
Payroll Taxes and Other Fringe Benefits	<u>353,126</u>	<u>352,584</u>	<u>542</u>
Total Personnel Costs	<u>2,478,674</u>	<u>2,357,088</u>	<u>121,586</u>
Other Expenses			
Non Federal Cost (Facilities and Volunteers)	749,614	749,614	-
Travel/Transportation	4,391	2,115	2,276
Contractual	29,500	27,854	1,646
Supplies	50,599	72,104	(21,505)
Other	<u>435,350</u>	<u>539,353</u>	<u>(104,003)</u>
Total Other Expenses	<u>1,269,454</u>	<u>1,391,040</u>	<u>(121,586)</u>
Total Expenses	<u>3,748,128</u>	<u>3,748,128</u>	<u>-</u>
Change in Net Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Auditor's Report and Notes to Financial Statements.

Child and Adult Care Food Program
Louisiana Department of Education
Schedule of Revenues, Expenses, and Changes in Net Assets
For the Period: October 1, 2017 to September 30, 2018

Revenue	
Contract Revenue	\$ 274,694
Total Revenue	<u>274,694</u>
Expenses	
Personnel Costs	
Salaries and Wages	137,357
Payroll Taxes and Other Fringe Benefits	<u>10,372</u>
Total Personnel Costs	147,729
Other Expenses	
Food Service Costs	<u>140,704</u>
Total Other Expenses	<u>140,704</u>
Total Expenses	<u>288,433</u>
Change in Net Assets	\$ (13,739)
Beginning Net Assets	<u>36,115</u>
Ending Net Assets	<u><u>22,376</u></u>

See Accompanying Auditor's Report and Notes to Financial Statements.

Community Services Block Grant Department of Labor
 Contract No. 2018N0032

Schedule of Revenues, Expenses, and Changes in Net Assets
 Budget to Actual
 For the Contract Period: October 1, 2017 to September 30, 2019
 For the Reporting Period: March 1, 2018 to January 31, 2019

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
Revenue			
Contract Revenue	\$ 437,648	\$ 437,648	\$ -
Total Revenue	<u>437,648</u>	<u>437,648</u>	<u>-</u>
Expenses			
Personnel Costs			
Salaries and Wages	326,476	285,862	40,614
Payroll Taxes and Other Fringe Benefits	62,949	63,720	(771)
Total Personnel Costs	<u>389,425</u>	<u>349,582</u>	<u>39,843</u>
Other Expenses			
Administration	14,132	24,013	(9,881)
Program Activities	34,091	64,053	(29,962)
Total Other Expenses	<u>48,223</u>	<u>88,066</u>	<u>(39,843)</u>
Total Expenses	<u>437,648</u>	<u>437,648</u>	<u>-</u>
Change in Net Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Auditor's Report and Notes to Financial Statements.

Community Services Block Grant Department of Labor
 Contract No. 2019N0032
 Schedule of Revenues, Expenses, and Changes in Net Assets
 Budget to Actual
 For the Contract Period: October 1, 2018 to September 30, 2020
 For the Reporting Period: February 1, 2019 to June 30, 2019

	Budgeted	Actual	Variance
Revenue			
Contract Revenue	\$ 439,331	\$ 240,541	\$ 198,790
Total Revenue	439,331	240,541	198,790
Expenses			
Personnel Costs			
Salaries and Wages	302,999	164,187	138,812
Payroll Taxes and Other Fringe Benefits	75,796	38,054	37,742
Total Personnel Costs	378,795	202,241	176,554
Other Expenses			
Administration	17,270	12,340	4,930
Program Activities	43,266	25,960	17,306
Total Other Expenses	60,536	38,300	22,236
Total Expenses	439,331	240,541	198,790
Change in Net Assets	\$ -	\$ -	\$ -

See Accompanying Auditor's Report and Notes to Financial Statements.

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.

Section 8 Housing Assistance Program
 Schedule of Revenues, Expenses, and Changes in Net Assets
 For the Contract Period: October 1, 2017 to September 30, 2018

Revenue	
United States Department of HUD	\$ 40,239
United States Department of HUD-Admin	6,752
Housing Authorities	49,539
HA Port-in Admin	4,752
Interest Income	7
Total Revenue	<u>101,289</u>
Expenses	
Program Reimbursements	13,566
Housing Assistance Payments	85,148
Total Expenses	<u>98,714</u>
Change in Net Assets	<u>2,575</u>
Beginning Net Assets	<u>1,182</u>
Ending Net Assets	<u>3,757</u>

See Accompanying Auditor's Report and Notes to Financial Statements.

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.

Summer Feeding Program
 Schedule of Revenues, Expenses, and Changes in Net Assets
 For the Contract Period: June 1, 2018 to July 31, 2018

Revenue	
Grant Revenue	\$ 250,180
Total Revenue	<u>250,180</u>
Expenses	
Personnel Costs	
Salaries and Wages	89,575
Payroll Taxes and Other Fringe Benefits	6,852
Total Personnel Costs	<u>96,427</u>
Other Expenses	
Food Service Costs	96,501
Other Program Costs	8,911
Rent Expense	16,150
Supplies	19,473
Utilities	1,868
Total Other Expenses	<u>142,903</u>
Total Expenses	<u>239,330</u>
Change in Net Assets	<u><u>\$ 10,850</u></u>

See Accompanying Auditor's Report and Notes to Financial Statements.

Parent Fundraising Accounts
 Schedule of Changes in Cash Balances
 June 30, 2019

	Bienville Center	CC Lewis Center	Jasper Henderson Center	Ringgold Center	Red River Center	Union Bee Center	Winn Center	Total
Beginning Cash:	6,621	3,164	5,463	1,099	3,157	195	1,040	20,739
Revenue:								
Contributions/Fundraisers	16,245	1,969	2,280	806	428	1,851	3,298	26,877
Disbursements:	7,357	2,897	1,037	571	2,271	1,443	1,522	17,098
Net Change in Cash:	8,888	(928)	1,243	235	(1,843)	408	1,776	9,779
Ending Cash:	15,509	2,236	6,706	1,334	1,314	603	2,816	30,518

See Accompanying Auditor's Report and Notes to Financial Statements.

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.
Schedule of Board Members

For the Year Ended
June 30, 2019

Board Member	Title	Location
William Ruffin	Chairman	Many, Louisiana
Jessie Davis	Vice Chairman	Coushatta, Louisiana
Cora Stringer	Secretary	Jonesboro, Louisiana
Freddie Blow	Board Member	Gibbsland, Louisiana
Michelle Carpenter	Board Member	Winnfield, Louisiana
Donald Russell	Board Member	Bienville, Louisiana
Stephen Katz	Board Member	Bastrop, Louisiana
Charolette Taylor	Board Member	Coushatta, Louisiana
Shirley Radford	Board Member	Winnfield, Louisiana
Richard Woods	Board Member	Many, Louisiana
Lettie Rochell	Board Member	Arcadia, Louisiana
Lora Fielder	Board Member	Bastrop, Louisiana
Yumeaka Washington	Board Member	Jonesboro, Louisiana
Rosa Williams	Board Member	Winnfield, Louisiana
Dorothy Thomas	Board Member	Bastrop, Louisiana
Ben Taylor	Board Member	Coushatta, Louisiana
Donnie Edmonson	Board Member	Florien, Louisiana
John McCarty	Board Member	Quitman, Louisiana

See Accompanying Auditor's Report and Notes to Financial Statements.

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.
 Schedule of Compensation - Key Management

Schedule 16

For the Year Ended
 June 30, 2019

Job Title	Conchita Doyle	Shirley Henson
	Executive Director	Director of Headstart
Salary	90,876	71,467
401K	-	1,560
Benefits-Health Insurance	12,598	7,559
Per Diem	-	-
Registration Fees	-	-
Total Compensation	103,474	80,586

See Accompanying Auditor's Report and Notes to Financial Statements.

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.
JONESBORO, LOUISIANA

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
As of and for the Year Ended June 30, 2019**

BY

**ROSIE D. HARPER
CERTIFIED PUBLIC ACCOUNTANT, LLP**

300 Washington Street, Suite 308 • Monroe, Louisiana 71201
OFFICE (318) 387-8008 • FAX (318) 387-0806

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.
JONESBORO, LOUISIANA

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
As of and for the Year Ended June 30, 2019**

PINE BELT MULTI-PURPOSE COMMUNITY ACTION AGENCY, INC.
Jonesboro, Louisiana

**Independent Accountant's Report
On Applying Agreed-Upon Procedures
As of and for the Year Ended June 30, 2019**

CONTENTS

	<u>STATEMENTS</u>	<u>PAGE NO.</u>
Independent Accountant's Report On Applying Agreed-Upon Procedures		1-10
Management's Corrective Action Plan		11-12



ROSIE D. HARPER

Certified Public Accountant, LLP

300 Washington Street, Suite 308 • Monroe, Louisiana 71201

Phone: (318) 387-8008 • Fax: (318) 387-0806

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
Pine Belt Multi-Purpose Community Action Agency, Inc. and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by Pine Belt Multi-Purpose Community Action Agency, Inc. (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. 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) I obtained and inspected the entity's written policies and procedures and observed whether those written policies and procedures addressed each of the following categories and subcategories, as applicable:

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

The Entity's policies and procedures manual does provide guidelines for adopting, but does not address monitoring, and amending the budget. Budgets and amendments are prepared by the Executive Director and presented to the Board of Directors for approval. Board approval is documented in the minutes.

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

The Entity's policies and procedures manual does not provide guidelines for how purchases are initiated, the preparation and approval process of purchase requisitions and purchase orders, how vendors are added to the vendor list, controls to ensure compliance with the public bid law, and documentation required to be maintained for all bids and price quotes. The Entity follows the procedures of the Louisiana Public Bid Law.

Pine Belt Multi-Purpose Community Action Agency, Inc.
Independent Accountants Report on Applying Agreed-Upon Procedures (Continued)

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

The Entity's written policies and procedures do not provide guidelines for processing, reviewing, and approving disbursements. All disbursements are approved and reviewed at the appropriate level. Each disbursement is paid by original invoice. They are processed by personnel who are separate from the person who initiates, approves and signs checks.

d) *Receipts/Collections*, including receiving, recording, and preparing deposits

The Entity's written policies and procedures do not provide guidelines for receiving, recording, and preparing deposits. Over ninety percent of all grants and public funds are direct deposited. Minimal amounts of funds are collected by check. These funds are reconciled by one of the three accounting clerks and deposited to the respective program bank accounts in a timely manner. The Entity's accounting staff reconciles collection documentation to deposit slips before posting the receipts to the general ledger. My testing disclosed no discrepancies.

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

The Entity's written policies and procedures do not provide guidelines for payroll processing and approval. The written policies and procedures do not address attendance records, overtime and approval of leave time. The Entity does have an established process to approve attendance and leave time. The employees do not work overtime.

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's policies and procedures manual does not provide guidelines for contracting including types of services requiring written contracts, standard terms and conditions, legal review, approval process, and monitoring process. The Entity follows the procedures of the Louisiana Public Bid Law.

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's written policies and procedures provide guidelines for credit cards. All credit cards are stored in locked files. Employees must submit written request for use and sign out the cards. When the cards are returned, they must be signed in with the supporting documentation for the approved purchase.

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

The Entity's written policies and procedures provide guidelines for travel and expense reimbursement, including allowable expenses, dollar thresholds by category of expense, documentation requirements, and required approvers. The Entity prepares a written itinerary for personnel travel. Each person who receives travel reimbursements is required to prepare a travel expense report with attached documentation of expenses.

Pine Belt Multi-Purpose Community Action Agency, Inc.
Independent Accountants Report on Applying Agreed-Upon Procedures (Continued)

- 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.

N/A

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

N/A

- k) *Disaster Recovery/Business Continuity*, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

The Entity's policies and procedures manual does not provide guidelines for disaster recovery/business continuity. The Entity uses an off-site back-up system and critical files are backed up daily. The Entity's IT contractor performs periodic testing and verification that backups can be restored. After testing the system, a report is emailed to Entity. All computer systems have antivirus software installed and updates to software are installed in a timely manner. The Entity's IT contractor maintains their computers, and his services would be utilized during a disaster recovery.

Board (or Finance Committee, if applicable)

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

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

The Entity's board of directors met with a quorum on a frequency in accordance with the board's bylaws.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements.

N/A

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

N/A

Bank Reconciliations

3) I obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. I asked management to identify the entity's main operating account. I selected the entity's main operating account and randomly selected 4 additional accounts. For each of the bank accounts selected, I randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statements and reconciliations for each account, and observed that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date;

Bank reconciliations were performed timely on all bank accounts provided by the Entity's management.

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

The bank reconciliations are prepared by the Accounting Clerks and Fiscal Manager and reviewed monthly by an appropriate level of management. No reconciled items were on the bank statement outstanding for more than six months as of the end of the fiscal period. The bank reconciliation is initialed to document that the bank reconciliations have been reviewed.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months as of the end of the fiscal period.

No reconciled items were on the bank statement outstanding for more than twelve months as of the end of the fiscal period.

Collections

4) I obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. I tested the collections from each of the two sites of the Entity.

5) For both deposit sites selected, I obtained a listing of collection locations and management's representation that the listing was complete. The Entity had two collection locations. For both locations, I randomly selected one collection location for each deposit site, obtained and inspected written policies and procedures relating to employee job duties at each collection location, and observed that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.
- b) Each employee responsible for collecting cash is not responsible for preparing /making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

- d) The employee responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

The Entity collects a minimal amount of cash. The collections are for fundraisers which are conducted by the parents for the Headstart Centers. Funds received are in the form of checks or money orders. The funds are sometimes collected and deposited by the Center Directors. A report and the deposit slip are forwarded to the Headstart Central office. Bank statements for the Headstart Centers are reconciled by personnel at the Central Office.

- 6) I inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

All individuals responsible for handling cash are bonded.

- 7) I randomly selected two deposit dates for each of the five (5) bank accounts selected for procedure #3 under "Bank Reconciliations" above. (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day. I obtained supporting documentation for each of the eight (8) deposits and:

- a) Observed that receipts were sequentially pre-numbered.
- b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Traced the deposit slip total to the actual deposit per the bank statement.
- d) Observed that the deposit was made within one (1) business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
- e) Traced the actual deposit per the bank statement to the general ledger.

Since the Entity is on the free lunch program and does not receive cash for lunch money. The Entity's revenue mainly consists of federal and state grants. Over ninety percent of all grants and public funds are direct deposited. Minimal amounts of funds are collected by check. These funds are reconciled by one of the three accounting clerks and deposited to the respective program bank accounts in a timely manner. The Entity's accounting staff reconciles collection documentation to deposit slips before posting to the receipts to the general ledger. My testing disclosed no discrepancies.

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

- 8) I obtained a listing of locations that process payments for the fiscal period and management's representation that the listing was complete. I selected the one location where payments are processed.
- 9) For each location selected under #8 above, I obtained a listing of those employees involved with non-payroll purchasing and payment functions. I obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Pine Belt Multi-Purpose Community Action Agency, Inc.
Independent Accountants Report on Applying Agreed-Upon Procedures (Continued)

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

All purchases were not initiated using a requisition or purchase order system. The person requesting purchases are separate from approval functions. All purchases are pre-approved by the appropriate level of management. Payments for purchases are paid by original invoices.

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

Payments for purchases were not processed without an approval from an appropriate level of management; a receiving report showing receipt of goods purchased and an approved invoice.

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

The person responsible for processing payments is not prohibited from adding vendors to the Entity's purchasing and disbursement system but is separate from the person who authorizes and signs checks, except for payroll. The Fiscal Manager processes and is one of the signers of payroll checks. All checks require two signatures. All vendor additions and disbursements were approved by authorized personnel and management at an appropriate level

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

The person who mails checks is separate from the persons with signatory authority and makes the final authorization and the person who processes payments.

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

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

My testing did not disclose any discrepancies.

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

My testing did not disclose any discrepancies.

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

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

- 12) Using the listing prepared by management, I randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. I randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtained supporting documentation, and:

- a) I observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive

fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

My testing did not disclose any discrepancies.

- b) I observed that finance charges and late fees were not assessed on the selected statements.

The Entity did not incur any finance charges or late fees.

- 13) I used the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly selected all transactions from each statement, and obtained supporting documentation for the transactions. For each transaction, I observed that it was supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

My testing did not disclose any discrepancies.

Travel and Expense Reimbursement

- 14) I obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly selected 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, I agreed the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

There were no amounts paid for travel and expense reimbursement that exceeded General Services Administration rates.

- b) If reimbursed using actual costs, I observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

My testing did not disclose any discrepancies.

- c) I observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

My testing did not disclose any discrepancies.

- d) I observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

My testing did not disclose any discrepancies.

Contracts

15) I obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. I obtained management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and I observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

My testing did not disclose any discrepancies.

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

My testing did not disclose any discrepancies.

b) If the contract was amended (e.g. change order), I observed that the original contract terms provided for such an amendment. N/A

c) I randomly selected one payment from the fiscal period for the contract, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

My testing did not disclose any discrepancies.

Payroll and Personnel

16) I obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. I randomly selected five (5) employees, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

My testing did not disclose any discrepancies.

17) I randomly selected one pay period during the fiscal period. For the five (5) employees/elected officials selected under #16 above, I obtained attendance records and leave documentation for the pay period, and:

a) Observed that all selected employees/elected officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

b) Observed that supervisors approved the attendance and leave of the selected employees/officials.

c) Observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

My testing did not disclose any discrepancies.

18) I obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

The Entity did not have any terminated employees during the fiscal year.

19) I obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

The Entity's payroll tax forms were filed and paid timely. All employee benefits and related forms were filed and paid timely.

Ethics (excluding nonprofits)

20) Using the five (5) randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a. I observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- b. I observed that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

N/A

Debt Service

21) Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

N/A

22) Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

N/A

Other

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

The Entity did not have any misappropriations of public funds or assets during the fiscal period.

Pine Belt Multi-Purpose Community Action Agency, Inc.
Independent Accountants Report on Applying Agreed-Upon Procedures (Continued)

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

The notice required by R.S. 24:523.1 was posted by the Entity.

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



Rosie D. Harper
Certified Public Accountant

Monroe, Louisiana
December 27, 2019



PINE BELT MULTI-PURPOSE CAA, INC.
708 South Cooper Ave. / Post Office Box 508
Jonesboro, Louisiana 71251
(318) 259-6444
Email: pinebelt@bellsouth.net

December 27, 2019

*Rosie D. Harper, CPA
300 Washington Street, Suite 308
Monroe, LA 71201*

*RE: Statewide Agreed-Upon Procedures – FYE 6/30/2019
Correction Action Response*

Dear Ms. Harper:

Please accept this correspondence as this agency's proposed plan of corrective action regarding the above-referenced procedures. Attached is a detailed summary chart of the Category/ Item Description/ Corrective Measure/ Timeline.

If any additional information is required, please so advise.

With kindest regards.

*Conchita Malone-Doyle
Executive Director*

cmd

Attachment

**Pine Belt Multi-Purpose CAA, Inc. –
Statewide Agreed-Upon Procedures FYE 6/30/2019
Corrective Action Response**

CATEGORY	ITEM DESCRIPTION	CORRECTIVE MEASURE	TIMELINE
Written Policies and Procedures	a) Budgeting	The agency will revise the existing financial management procedures manual to include the specified language to address monitoring and amending the budget.	No later than 3/31/2020
	b) Purchasing	Although the agency adheres to the Louisiana Public Bid Law, the financial management procedures fails to include the appropriate language. The existing manual will be updated to include the guidelines for how purchases are initiated, the preparation and approval process of purchase requisitions and purchase orders, how vendors are added to the vendor list, controls to ensure compliance with the Public Bid Law, and documentation required to be maintained for all bids and price quotes.	No later than 3/31/2020
	c) Disbursements	The existing guidelines of the financial management procedure manual will be updated to include language addressing the process reviewing and approving disbursements.	No later than 3/31/2020
	d) Receipts/Collections	The written policies and procedures will be included in the existing financial management procedure manual to state guidelines for receiving, recording and preparing deposits.	No later than 3/31/2020
	e) Payroll/Personnel	The agency's system for payroll processing and reviewing and approving time and attendance records will be written within the existing financial management procedure manual to include appropriate language that clearly states the guidelines.	No later than 3/31/2020
	f) Contracting	Although the agency does adhere to the Louisiana Public Bid Law, internal agency financial management manual fails to clearly state policies and procedures. The manual will be revised to include guideline for contracting including types of services requiring written contracts, standard terms and conditions, legal review(as required) approval process and monitoring process.	No later than 3/31/2020