

VOLUNTEERS FOR YOUTH JUSTICE

SHREVEPORT, LOUISIANA

FINANCIAL STATEMENTS

June 30, 2017

Marsha O. Millican
A Professional Accounting Corporation
Shreveport, Louisiana

VOLUNTEERS FOR YOUTH JUSTICE

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Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

Independent Auditor's Report

Board of Directors
Volunteers for Youth Justice
Shreveport, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of Volunteers for Youth Justice (a nonprofit organization) which comprise the statement of financial position as of June 30, 2017, and the related statements of activities 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 Volunteers for Youth Justice's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Volunteers for Youth Justice as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Information

My audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The Schedule of Revenue and Expenditures – CASA AP Grant and the Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated December 5, 2017 on my consideration of Volunteers for Youth Justice's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contract 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 Volunteers for Youth Justice's internal control over financial reporting and compliance.



Certified Public Accountant
December 5, 2017

VOLUNTEERS FOR YOUTH JUSTICE

Statement of Financial Position

June 30, 2017

ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 292,936
Contracts Receivable	<u>123,078</u>
Total Current Assets	416,014
PROPERTY AND EQUIPMENT (NET)	17,444
OTHER ASSETS	
Assets Restricted for Endowment	277,445
Investments	5,231
Deposits	<u>765</u>
Total Other Assets	<u>283,441</u>
Total Assets	<u>\$ 716,899</u>
LIABILITIES AND NET ASSETS	
Accounts Payable and Accrued Expenses	\$ 2,643
Deferred Revenue	<u>240,667</u>
Total Current Liabilities	<u>243,310</u>
Net Assets:	
Unrestricted	196,144
Permanently Restricted	<u>277,445</u>
Total Net Assets	<u>473,589</u>
Total Liabilities and Net Assets	<u>\$ 716,899</u>

The accompanying notes are an integral part of this statement.

VOLUNTEERS FOR YOUTH JUSTICE

Statement of Activities and Changes in Net Assets

For the Year Ended June 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE:				
Support:				
Contributions	\$ 58,437	\$ 137,963	\$ -	\$ 196,400
Grants	-	1,224,472	-	1,224,472
Program Service Fees	571,814	-	-	571,814
Unrealized Gains	-	-	24,770	24,770
Miscellaneous	60,466	-	3,970	64,436
Total Support and Revenues	<u>690,717</u>	<u>1,362,435</u>	<u>28,740</u>	<u>2,081,892</u>
Net Assets Released from Restrictions:				
Satisfaction of Usage Restrictions	<u>1,362,435</u>	<u>(1,362,435)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>2,053,152</u>	<u>-</u>	<u>28,740</u>	<u>2,081,892</u>
EXPENSES				
Program Expenses	1,871,843	-	10,847	1,882,690
Management and General	160,318	-	2,712	163,030
Total Expenses	<u>2,032,161</u>	<u>-</u>	<u>13,559</u>	<u>2,045,720</u>
Change in Net Assets	20,991	-	15,181	36,172
Net assets, beginning of year	<u>175,153</u>	<u>-</u>	<u>262,264</u>	<u>437,417</u>
Net assets, end of year	<u>\$ 196,144</u>	<u>\$ -</u>	<u>\$ 277,445</u>	<u>\$ 473,589</u>

The accompanying notes are an integral part of this statement.

VOLUNTEERS FOR YOUTH JUSTICE

Statement of Cash Flows

Year Ended June 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 36,172
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	7,835
Changes in assets and liabilities:	
Decrease in contracts receivable	42,141
Increase in accounts payable and accrued expenses	996
Decrease in deferred revenue	<u>(76,680)</u>
Net cash provided by operating activities	<u>10,464</u>

CASH FLOWS USED BY INVESTING ACTIVITIES:

Net change in assets restricted for endowment	(15,181)
Purchase of fixed assets	-
Increase in investments	<u>11</u>
Net cash used by investing activities	<u>(15,170)</u>
Net increase in cash	(4,706)

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>297,642</u>
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CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 292,936</u></u>
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The accompanying notes are an integral part of this statement.

VOLUNTEERS FOR YOUTH JUSTICE

Notes to Financial Statements

June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. General:

Volunteers for Youth Justice is a nonprofit organization exempt for Federal income tax purposes under Section 501 © (3) of the Internal Revenue Code and is exempt from federal and state income taxes.

B. Nature of Activities:

Volunteers for Youth Justice is a community volunteer based agency which provides services and resources to youth and their families who have come into contact with either area law enforcement or the courts. Volunteers for Youth Justice programs include the following.

CASA - Specially trained volunteers serve as officers of the court and “friends” to children in need. These volunteer advocates are assigned by judges to speak on behalf of children who have been placed in foster care due to abuse or neglect. Their primary objective is to ensure that each child is placed in a safe, permanent home.

TASC- The purpose of TASC is to provide early identification and assessment of truant children in grades K-5 and the prompt delivery of coordinated interventions to prevent continued unexcused school absences.

Jumpstart - A diversion program providing educational workshops in a support group setting with volunteer facilitators trained to address the needs of at risk youth.

Teen Court- A program designed to offer non-violent, first-time juvenile offenders the opportunity to be judged by a jury of their peers, accept responsibility for their actions, and make restitution for their offenses.

Gems & Gents Mentoring - A program that brings together young people with adult mentors who assist with their educational, relational, and emotional development through group sessions, recreational activities, and community service.

Leadership Academy - A program of GEMS & GENTS, to provide a safe and supportive environment, whereby students are encouraged to improve their academic achievement, develop life skills, and embrace the servant leadership model for giving back to their school and community.

Conflict Resolution - A collaborative effort between VYJ and the Caddo Parish School Board, designed to address the dynamics that lead to violent behavior, with the goal of preventing future school fight violations.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:(Continued)

Facts of Life Program - A character development curriculum. This program is designed to provide adjudicated juvenile offenders from the age of 12-16 with a method of decision making. This program shows participants what is required for a rewarding quality of life and at the same time providing participants with a set of guidelines for making choices by which a good life can be obtained and maintained.

FINS (Families in Need of Services) - Programs for families on the verge of crisis due to the ungovernable behavior of a child. The primary goal of FINS is to secure appropriate services to remedy the family's dysfunction.

Truancy FINS - Specialized FINS officers work with the Caddo Parish school system, children and their families to identify the root cause of excessive unexcused absences and secure appropriate services to remedy the cause.

C. Basis of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting.

D. Basis of Presentation:

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification, the single source of authoritative accounting principles generally accepted in the United States of America (US GAAP). Under the Codification, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

E. Cash and Cash Equivalents:

For purposes of cash flows, the organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

F. Property and Equipment:

Purchased property and equipment are stated at cost. Donated property and equipment are stated at their fair market value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from five to ten years.

G. Contributions:

All contributions received are considered available for unrestricted use unless the donor specifies a restriction. Amounts received that are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:(Continued)

H. 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.

2. Grants Receivable:

Grants receivable at June 30, 2017 are as follows:

Louisiana Judicial Branch (CASA AP)	\$ 53,778
FINS	20,010
CVA	41,290
Other	<u>8,000</u>
Total	<u>\$123,078</u>

All grants receivable at June 30, 2017 are fully collectible.

3. Donated Material and Services:

Volunteers for Youth Justice received various in-kind contributions during the year. In-kind contributions consisted primarily of the time donated by volunteer workers and space and utilities donated by First Presbyterian Church, Caddo Parish School Board, Caddo Parish Commission, and Willis-Knighton Health System. No amounts have been reflected in the statements for donated services in as much as no objective basis is available to measure the value of such services and the donated services do not create a nonfinancial asset; however, a substantial number of volunteers have donated significant amounts of their time in the organization's program services. No amounts have been reflected in the statements for donated space and utilities because these donations do not create a nonfinancial asset.

4. Assets Restricted for Endowment:

Assets restricted for endowment at June 30, 2017 consisted of the following on deposit at the Community Foundation of Shreveport-Bossier at market value:

Equities	<u>\$ 277,445</u>
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Net unrealized gains were \$24,770.

FASB Codification Topic 820, Fair Market Value Measurements and Disclosure requires disclosures that stratify balance sheet amounts measured at fair value based on the inputs used to derive fair value measurements. These strata included the following level valuations: Level 1 valuations, where the valuation is based on quoted market prices for identical assets or liabilities traded in active markets (which include exchanges and over-the-counter markets with sufficient volume), Level 2 valuations, where the valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are

4. Assets Restricted for Endowment: (Continued)

observable in the market, and Level 3 valuations are based on observable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value requires significant management judgement or estimation. Fair market value of assets are measured on Level one basis.

5. Property and Equipment:

Property and Equipment consists of the following:

Furniture and Equipment	\$144,273
Less Accumulated Depreciation	<u>(126,829)</u>
Property and Equipment - Net	<u>\$ 17,444</u>

6. Rental Commitments:

The Company rents office space under operating leases for two of its locations. Rent expense for the year ended June 30, 2017 totaled \$10,800.

7. Retirement Plan:

The Company maintains a retirement plan for its employees. The Company contributes 3% of eligible wages. Contributions for the year ended June 30, 2017 totaled \$11,610.

8. Subsequent Events:

Management has evaluated subsequent events through December 5, 2017, the date the financial statements were available to be issued, and determined that no additional disclosures are necessary.

VOLUNTEERS FOR YOUTH JUSTICE

Schedule of Compensation, Reimbursements, Benefits, and Other Payments
to Agency Head
For the Year Ended June 30, 2017

Agency Head: Kelli Todd, Executive Director

Salary	\$	<u>72,150</u>
Payroll Taxes	\$	<u>5,459</u>
Retirement	\$	<u>2,100</u>
Seminars	\$	<u>-</u>
Insurance	\$	<u>6,057</u>
Reimbursements	\$	<u>484</u>
Travel	\$	<u>896</u>

VOLUNTEERS FOR YOUTH JUSTICE

Schedule of Grant Revenue and Expenditures - CASA AP Grant

For the Year Ended June 30, 2017

REVENUE:	\$ 552,243
EXPENDITURES	
Salaries	320,920
Fringe	52,172
Professional Services	10,794
Operating Services	48,544
Travel	30,733
Training	3,385
Equipment	-
Supplies	8,100
Printing and Copying	3,500
Administrative Costs	74,095
	<hr/>
Total expenditures	552,243
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Excess (deficiency) of revenues over expenditures	\$ -
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Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

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

Board of Directors
Volunteers for Youth Justice
Shreveport, 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 Volunteers for Youth Justice (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, and cash flows for the year ended, and the related notes to the financial statements, and have issued my report thereon dated December 5, 2017.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Volunteers for Youth Justice's internal control over financial reporting 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 Volunteers for Youth Justice's internal control. Accordingly, I do not express an opinion on the effectiveness of Volunteers for Youth Justice'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 Volunteers for Youth Justice's financial statements will not be prevented, or detected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Volunteers for Youth Justice's financial statements are free of 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*.

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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 Volunteers for Youth Justice's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Volunteers for Youth Justice'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.



Certified Public Accountant
December 5, 2017

VOLUNTEERS FOR YOUTH JUSTICE

Schedule of Findings

For the Year Ended June 30, 2017

1. The auditor's report expresses an unmodified opinion on the financial statements.
2. No significant deficiencies in internal accounting control were disclosed during the audit.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.

There were no findings for the year ended June 30, 2017.

VOLUNTEERS FOR YOUTH JUSTICE

Corrective Action Taken on Prior Year Findings

Year Ended June 30, 2017

There were no findings for the year ended June 30, 2016.



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

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

To the Board of Directors
Volunteers for Youth Justice
Shreveport, Louisiana

I have performed the procedures enumerated below, which were specified and agreed to by the Board of Directors of Volunteers for Youth Justice (VYJ) to assist VYJ in complying with the requirements of the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal year ended June 30, 2017. I am required to perform each procedure and report the results, including any exceptions. VYJ is responsible for internal controls and compliance with laws and regulations relative to the SAUP and for selecting the criteria and procedures and determining that such criteria and procedures are appropriate for their purposes.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of VYJ. Consequently, I make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

My procedures and enumerated findings are enumerated below.

Written Policies and Procedures

I obtained the entity's written policies and procedures and determined whether those written policies and procedures address each of the following financial/business functions (or noted that the entity does not have any written policies and procedures), as applicable:

- ***Budgeting***, including preparing, adopting, monitoring and amending the budget.
- ***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.
- ***Disbursements***, including processing, reviewing and approving.
- ***Receipts***, including receiving, recording, and preparing deposits.

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- **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- **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.
- **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- **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.
- **Debt Service**, including (1) debt insurance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

a) Procedures Results - I noted no exceptions.

Board (or Finance Committee, if applicable)

2. I obtained and reviewed the board/committee minutes for the fiscal period, and:

- Determined whether the managing board met (with a quorum) at least monthly, or in a frequency in accordance with board's enabling legislation, charter, or other equivalent document.
- Determined whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

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

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

a) Procedures Results - I noted no exceptions.

Bank Reconciliations

3. I obtained a listing of the Council's bank accounts from management and management's representation that the listing is complete.
4. Using the listing provided by management, I selected all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than five accounts). For each of the bank accounts selected, I obtained bank statements and reconciliations for all months in the fiscal period and determined whether:
 - Bank reconciliations have been prepared
 - Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and:
 - If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.
 - a) Procedures Results - I noted no exceptions.

Collections

5. I obtained a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
6. Using the listing provided by management, I selected all of the entity's cash collection locations (if five or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). For each collection location selected:
 - I obtained existing written documentation (e.g. insurance policy, policy manual, job description) and determined whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transactions, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
 - I obtained existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and determined whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash location selected.
 - I selected the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

Using entity collection documentation, deposit slips, and bank statements, I traced daily collections to the deposit date on the corresponding bank statement and determined whether the deposits were made within one day of collection. I determined the number of days from receipt to deposit for each day at each collection location.

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

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

a) Procedure Results - I noted no exceptions.

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

8. I obtained a listing of entity disbursements from management or, alternately, obtained the general ledger and sort/filter for entity disbursements. I obtained management's representation that the listing or general ledger population is complete.
9. Using the disbursement population from #8 above, I randomly selected 30 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases of payments. I obtained supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and determined whether the supporting documentation for each transaction demonstrated that:
 - Purchases were initiated using a requisition/purchase order system or an equivalent system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
 - Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
 - Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or an electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

- Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or an electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.
10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), I noted whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.
 11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), I noted whether the person with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.
 12. I inquired of management and observed whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, I reviewed entity documentation (electronic system control documentation) and noted whether the persons with signatory authority have signatory authority have system access to print checks.
 13. If a signature stamp or signature machine is used, I inquired of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. I inquired of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.
 - a) Procedure Results - I noted no exceptions.

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

14. I obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. I obtained management's representation that the listing is complete.
15. Using the listing prepared by management, I randomly selected 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year.

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

- Determined whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [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.]
- Determined whether finance charges and/or late fees were assessed on the selected statements.

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

- For each transaction, I determined whether the transaction is supported by:

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

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

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

- For each transaction, I compared the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
- For each transaction, I compared the entity's documentation of the business/public purpose to the requirement of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
 - a) Procedure Results - I noted no exceptions.

Travel and Expense Reimbursement

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

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

19. Using the listing or general ledger from #17 above, I selected the three persons who incurred the most travel costs during the fiscal period. I obtained the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and chose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- I compared expense documentation to written policies and determined whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, and lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

- I determined whether each expense is supported by:

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

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

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

- I compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g., hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- I determined whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
 - a) Procedure Results - I noted no exceptions.

Contracts

20. I obtained a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. I obtained management's representation that the listing or general ledger is complete.
21. Using the listing above, I selected the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). I obtained the related contracts and paid invoices and:
 - Determined whether is a formal/written contract that supports the services arrangement and the amount paid.
 - I compared each contract's detail to the Louisiana Public Bid Law or Procurement Code. I noted whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

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

If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
 - I determined whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

- I selected the largest payment from each of the five contracts, obtained the supporting invoice, compared the invoice to the contract terms, and noted whether the invoice and related payment complied with the terms and conditions of the contract.
- I obtained/reviewed contract documentation and board minutes and determined whether there is documentation of board approval, if required by policy or law (e.g., Lawrason Act or Home Rule Charter).
 - a) Procedure Results - I noted no exceptions.

Payroll and Personnel

22. I obtained a listing of employees (and elected officials, if applicable) with their related salaries, and obtained management's representation that the listing is complete. I randomly selected five employees/officials, obtained their personnel files, and:
 - a) Reviewed compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) Reviewed changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.
23. I obtained attendance and leave records and randomly selected one pay period in which leave has been taken by at least one employee. Within the pay period, I randomly selected 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
 - a) Determined whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). [Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.]
 - b) Determined whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
 - c) Determined whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.
24. I obtained from management a list of those employees/officials that terminated during the fiscal period and managements representation that the list is complete. If applicable, I selected the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtained the personnel files for the two employees/officials. I noted whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

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

a) Procedure Results - I noted no exceptions.

Ethics (excluding nonprofits)

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

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

a) Procedure Results - I noted no exceptions. Ethics training is not applicable to nonprofits.

Debt Service (excluding nonprofits)

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

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

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

a) Procedures Results - No procedures were performed as there was no outstanding debt or debt issued during this fiscal period.

Other

31. I inquired of management whether the entity had any misappropriations of public funds or assets. If so, I obtained/reviewed supporting documentation and noted whether the entity had reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

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

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

a) Procedures Results - I noted no exceptions.

I was not engaged and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on the Statewide Agreed-Upon Procedures. 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.

This report is intended solely for the information and use of the Council and the LLA, and is not intended to be, and should not be, used by anyone other than the specified parties.



Certified Public Accountant

December 1, 2017