

THE ASSIST AGENCY, INC.

**BASIC FINANCIAL STATEMENTS AND
AUDITOR'S REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2018

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J. Aaron Cooper, CPA, LLC

P.O. Box 918 • 106 West Nezpique Street • Jennings, Louisiana 70546

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

Recipient of Advanced Single Audit Certificate

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

I have audited the accompanying financial statements of The ASSIST Agency, Inc. (a nonprofit organization), which is comprised the of statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The ASSIST Agency, Inc., as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

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

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

Jennings, Louisiana
June 15, 2019

THE ASSIST AGENCY, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 255,129
Accounts Receivable	54,117
Due from Friends of ASSIST, Inc.	150,941
Other Receivables	970
Other Current Assets	<u>5,029</u>
Total Current Assets	<u>466,186</u>

FIXED ASSETS

Furniture and Equipment	82,024
Vehicles	1,425
Land	<u>28,393</u>
Total	111,842
Less: Accumulated Depreciation	<u>(73,954)</u>
Net Fixed Assets	<u>37,888</u>

OTHER ASSETS

Notes Receivable	<u>16,426</u>
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TOTAL ASSETS	<u><u>\$ 520,500</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 2,825
Accrued Payroll Liabilities	<u>4,223</u>
Total Current Liabilities	<u>7,048</u>

OTHER LIABILITIES

Accrued Compensated Absences	17,446
Security Deposits	<u>850</u>
Total Other Liabilities	<u>18,296</u>

TOTAL LIABILITIES

25,344

NET ASSETS

Unrestricted	493,756
Temporarily Restricted Net Assets	<u>1,400</u>
Total Net Assets	<u>495,156</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 520,500</u></u>
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The accompanying notes are an integral part of these financial statements.

THE ASSIST AGENCY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

CHANGES IN UNRESTRICTED NET ASSETS:

UNRESTRICTED REVENUES AND SUPPORT

Grants	\$ 724,599
Contributions	3,237
Interest Income	1,876
Partnership Income	58,450
Other	<u>27,533</u>
Total Unrestricted Revenues and Support	815,695

NET ASSETS RELEASED FROM RESTRICTIONS

Program Restrictions Satisfied	<u>91,237</u>
Total Revenues, Support, and Net Assets Released From Restrictions	<u>906,932</u>

EXPENSES

Program Activities:

Community Services Block Grant Program	404,962
Emergency Food and Shelter Program	27,506
Elderly Services Program	79,068
Homeless Program	48,073
Summer Food Service Program	118,140
Other Program Activities	<u>65,347</u>

 Total 743,096

Management and General 160,197

Fundraising Activities 518

 Total Expenses 903,811

CHANGE IN UNRESTRICTED NET ASSETS 3,121

CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:

Contributions	91,237
Net Assets Released From Restrictions	<u>(91,237)</u>

CHANGE IN TEMPORARILY RESTRICTED NET ASSETS -

CHANGE IN NET ASSETS 3,121

NET ASSETS AT BEGINNING OF PERIOD 492,035

NET ASSETS AT END OF PERIOD \$ 495,156

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

THE ASSIST AGENCY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>PROGRAM ACTIVITIES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Compensation and Related Expenses:				
Salaries	\$ 390,976	\$ 38,714	\$ -	\$ 429,690
Employee Benefits:				
Payroll Taxes	33,407	4,215	-	37,622
Retirement	3,725	931	-	4,656
Group Insurance	16,495	10,439	-	26,934
Compensated Absences	-	2,411	-	2,411
Total	<u>444,603</u>	<u>56,710</u>	-	<u>501,313</u>
Administrative Fees	-	2,600	-	2,600
Advertising	146	91	-	237
Automobile	4,057	-	-	4,057
Bad Debt Expense	-	41,042	-	41,042
Bank Charges	-	325	-	325
Community Food	49	-	-	49
Contract Labor	45,920	-	-	45,920
Depreciation	3,495	-	-	3,495
Donations	-	125	-	125
Dues and Subscriptions	982	-	-	982
Emergency Assistance	130,279	-	-	130,279
Food	26,854	-	-	26,854
Fundraising	-	-	518	518
Insurance	11,094	8,364	-	19,458
Janitorial	347	-	-	347
Audit and Professional Fees	-	30,906	-	30,906
Medical	309	-	-	309
Meeting	-	1,446	-	1,446
Miscellaneous	1,849	6,543	-	8,392
Office Expense/Supplies	6,213	2,166	-	8,379
Penalties and Fines	-	167	-	167
Postage	607	39	-	646
Registration Fees	-	280	-	280
Rent	36,459	7,342	-	43,801
Repairs and Maintenance	4,388	219	-	4,607
Supplies	6,537	33	-	6,570
Telephone	7,831	1,332	-	9,163
Travel	4,881	467	-	5,348
Utilities	<u>6,196</u>	<u>-</u>	<u>-</u>	<u>6,196</u>
Totals	<u>\$ 743,096</u>	<u>\$ 160,197</u>	<u>\$ 518</u>	<u>\$ 903,811</u>

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

**THE ASSIST AGENCY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 3,121
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By Operating Activities:	
Depreciation	3,495
Change in Assets and Liabilities:	
Accounts Receivable	(28,735)
Other Current Assets	(5,760)
Accounts Payable	507
Accrued Payroll Liabilities	(1,590)
Security Deposits	(600)
Accrued Compensated Absences	<u>2,436</u>
Net Cash Provided (Used) by Operating Activities	<u>(27,126)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Fixed Assets	<u>(605)</u>
Issuance of RBEG Program Loans	(20,000)
Principal Payments Received on RBEG Program Loans	<u>3,574</u>
Net Cash Provided (Used) By Investing Activities	<u>(17,031)</u>

NET CHANGE IN CASH (44,157)

CASH AND EQUIVALENTS, BEGINNING OF PERIOD 299,286

CASH AND EQUIVALENTS, END OF PERIOD \$ 255,129

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

THE ASSIST AGENCY, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

Property and Equipment – Property and equipment are valued at historical cost for assets purchased and at fair market value at the date of donation for contributed assets. Donations of property and equipment are recorded as support at their estimated fair market value and are reported as unrestricted unless the donor has restricted the donated assets for a specific purpose. The Agency is not allowed to dispose of any fixed assets purchased with grant proceeds without the approval of the grantor agency. In addition, the Agency currently uses equipment whose title is held by the Louisiana Department of Labor under the Community Services Block Grant. Depreciation is computed using the straight-line method over the assets’ useful lives. Depreciation expense was \$3,495 for the year ended December 31, 2018.

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

THE ASSIST AGENCY, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

Donated Services – The Agency recognizes donated services that (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. At December 31, 2018, there were no material donated services.

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

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

Advertising Costs – The Agency uses advertising to promote its programs among the individuals it serves. The cost of this advertising is expensed as incurred. Advertising costs for the year ended December 31, 2018, was \$237.

(B) TEMPORARILY RESTRICTED NET ASSETS

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

United Way	\$ 19,204
Other Restricted Donations	<u>72,033</u>
Total	<u>\$ 91,237</u>

(C) ACCOUNTS RECEIVABLE

At December 31, 2018, accounts receivable was comprised of the following:

Acadia Parish Police Jury	\$ 26,299
Louisiana Housing Corporation	12,518
Louisiana Workforce Commission	2,350
Other	<u>12,950</u>
Total	<u>\$ 54,117</u>

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

THE ASSIST AGENCY, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

(D) ACCRUED COMPENSATED ABSENCES

Employees earn from six to eighteen days each of annual leave and sick leave each year, depending on their length of service. The maximum amount of annual leave an employee is allowed to carry over is 120 hours (15 days). Upon termination, employees are paid for all unused annual leave (up to 120 hours). Accordingly, an accrual of \$17,446 has been made for accumulated annual leave as of December 31, 2018.

(E) RETIREMENT PLAN

The Agency contributes to a Savings Incentive Match Plan for Employees of Small Employers (SIMPLE). All employees of the Agency are eligible to participate. The Agency contributes up to 3.00% of each employee's compensation for the calendar year to a SIMPLE IRA for each employee who has at least \$5,000 in compensation for the previous year. Retirement plan expense for the year ended December 31, 2018 was \$4,656.

(F) INVESTMENTS IN LIMITED PARTNERSHIPS

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

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

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

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

THE ASSIST AGENCY, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

(F) INVESTMENTS IN LIMITED PARTNERSHIPS – continued

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

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

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

In February 2013, the Agency (as a CHDO Developer) entered into a Development Services Agreement with James A. Herod Apartments, Inc. to renovate a public school building into 12 two-bedroom units to house residents in a substance abuse treatment program while helping them to mainstream back into society in Abbeville, La. Funding for the project is from Louisiana Housing Finance Agency, Federal Home Loan Bank of Dallas, HOME, and Louisiana Recovery Authority.

The Agency is paid for services provided to the partnerships. For the year ended December 31, 2018, the Agency received \$13,140 for these services.

(G) NOTES RECEIVABLE

The Agency has issued loans from funds it received from USDA-Rural Development under The Rural Business Enterprise Grant (RBEG) Program. One loan with a principal balance of \$26,139 (originally \$30,000) is in default and is fully reserved. The other loan was issued during 2018 in the original amount of \$20,000 is performing as intended and has a current balance of \$16,426.

In February 2018, the Agency loaned James A. Herod Apartments, Inc., a partner of the Agency in a housing project (see Note F above) \$41,052 to help cover some of the construction costs on the project. Since then, James A. Herod Apartments, Inc., has filed suit against the Agency (see Note N) for breach of contract on the project. As such, the loan was fully reserved.

THE ASSIST AGENCY, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

(H) CONCENTRATIONS

The Agency receives funding from the U.S. Department of Health and Human Services in the form of Community Services Block Grant funds that are passed through the Louisiana Department Labor, Office of Workforce Development. During 2018, the Agency received \$491,740 of Community Services Block Grants. This amount represents 54.2% of total revenues and support received by the Agency for the year ended December 31, 2018. A change in this funding could substantially affect the operations of the Agency.

(I) RELATED PARTY TRANSACTION

In June 2008, Friends of ASSIST, a 501(c)(3) Agency sharing common management and board of directors with The ASSIST Agency, Inc., was formed. The ASSIST Agency, Inc. has advanced a total of \$150,941 in cash and organizational expense payments on behalf of the Friends of ASSIST. The Agency intends to collect the amount and it is therefore classified as a current asset.

(J) FINANCIAL INSTRUMENTS

The Agency's financial instruments consist of cash and short-term investments, accounts receivable, loans receivable and accounts payable. The carrying amounts for these financial instruments approximates fair value because of their short-term nature.

(K) NONCOMPLIANCE WITH GRANTOR RESTRICTIONS

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

(L) COMPENSATION OF BOARD MEMBERS

Members of the Board of Directors of the Agency received no compensation for services rendered as directors during 2018.

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

A detail of compensation, benefits, and other payments paid to Sharon Clement, Executive Director, for the year ended December 31, 2018, follows:

Salary	\$ 57,735
Retirement	1,707
Insurance	1,680
Travel reimbursements	<u>183</u>
Total	<u>\$ 61,305</u>

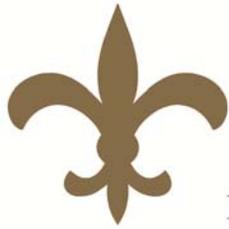
THE ASSIST AGENCY, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

(N) SUBSEQUENT EVENTS

In May 2019, the Agency was notified that it was a defendant in a lawsuit by James A. Herod Apartments, Inc., for breach of contract. Management feels that the claim is unfounded and that any losses that may result are fully covered by commercial insurance.

Subsequent events were evaluated through June 15, 2019, which is the date the financial statements were available to be issued. Management feels that no additional disclosures are necessary.



J. Aaron Cooper , CPA, LLC

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

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

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The ASSIST Agency, Inc. (a nonprofit organization), which is comprised of the statement of financial position as of December 31, 2018, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated June 15, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

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

Jennings, Louisiana
June 15, 2019

THE ASSIST AGENCY, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018**

I have audited the financial statements of The ASSIST Agency, Inc. as of and for the year ended December 31, 2018, and have issued my report thereon dated June 15, 2019. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States. My audit of the financial statements of December 31, 2018 resulted in an unmodified opinion.

Section I Summary of Auditor's Reports

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

Internal Control

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

Compliance

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

Section II - Financial Statement Findings

None

Section III - Federal Awards Findings and Questioned Costs

None

THE ASSIST AGENCY, INC.

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2018**

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

Not Applicable.

Section II - Internal Control and Compliance Material to Federal Awards

Not Applicable.

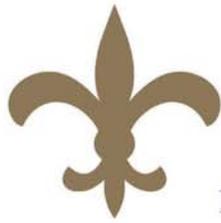
Section III - Management Letter

Not Applicable.

THE ASSIST AGENCY, INC.

**STATEWIDE AGREED-UPON
PROCEDURES REPORT**

For the Year Ended December 31, 2018



J. Aaron Cooper , CPA, LLC

P.O. Box 918 • 510 North Cutting Avenue • Jennings, Louisiana 70546

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

Recipient of Advanced Single Audit Certificate

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The ASSIST Agency, Inc.
Crowley, Louisiana

I have performed the procedures enumerated below, which were agreed to by the The ASSIST Agency, Inc. and the Legislative Auditor, State of Louisiana, on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018, through December 31, 2018. The Entity's management is responsible for those control and compliance areas areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or 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).
 - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- a) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

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

Board or Finance Committee

2. Obtain and inspect 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) Observe that 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.
 - 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 (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - 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.

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

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - 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
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

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

4. Obtain 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. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe 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(s) 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.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 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). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one 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) Trace the actual deposit per the bank statement to the general ledger.

There were no exceptions noted in the previous year during testing of collections, therefore this section's procedures were not performed this year as per instruction from the Legislative Auditor.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain 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:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - 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.
 - 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.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

All payments are processed at the central office in Crowley. The Agency utilizes a purchase order system to ensure purchases are authorized. For program disbursements such as rent and utility assistance, an approval form is used. The Accounting Manager processes the approved purchases/disbursements and mails the checks after signed by the Executive Director and one Board member. The Accounting Manager also maintains the vendor files.

I downloaded a listing of all disbursements and randomly selected 25 for testing (excluding credit card transactions). No exceptions were noted. Only the Accounting Manager has authorization within the accounting system to add vendors. Signatories do not have a responsibility for initiating or recording purchases.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe 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.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is 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).

There were no exceptions noted in the previous year during testing of credit cards, therefore this section's procedures were not performed this year as per instruction from the Legislative Auditor.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain 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 select 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, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe 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).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

There were no exceptions noted in the previous year during testing of travel expenses, therefore this section's procedures were not performed this year as per instruction from the Legislative Auditor.

Contracts

15. Obtain 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.* Obtain 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:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

There were no exceptions noted in the previous year during testing of contracts, therefore this section's procedures were not performed this year as per instruction from the Legislative Auditor.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that 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) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

18. Obtain 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' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain 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.

There were no exceptions noted in the previous year during testing of contracts, therefore this section's procedures were not performed this year as per instruction from the Legislative Auditor.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe 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.

Ethics not applicable; Agency is a nonprofit.

Debt Service

22. 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.
23. 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.

Debt service not applicable.

Other

31. Obtain 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.
32. Observe 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.

There were no exceptions noted in the previous year during testing, therefore this section's procedures were not performed this year as per instruction from the Legislative Auditor.

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

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control and 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.

J. Aaron Cozart, CPA, LLC

June 15, 2019