

**Central Louisiana Area Health Education Center, Inc.**

**Alexandria, Louisiana**

**Financial Statements**

**June 30, 2017**

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# KnightMasden

A Professional Accounting Corporation

John E. Theriot II, CPA, CGMA

Dona C. Manuel, CPA

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Coan I. Knight, Jr., CPA

Stephanie R. Lemoine, CPA

## Independent Auditors' Report

Board of Directors  
Central Louisiana Area Health Education Center, Inc.  
Alexandria, Louisiana

### Report on the Financial Statement

We have audited the accompanying financial statements of Central Louisiana Area Health Education Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, cash flows and functional expenses 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*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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December 14, 2017

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Central Louisiana Area Health Education Center, Inc. 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 Matters***

***Other Information***

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2017, on our consideration of Central Louisiana Area Health Education Center, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Central Louisiana Area Health Education Center, Inc.'s internal control over financial reporting and compliance.



**KnightMasden**  
Alexandria, Louisiana  
December 14, 2017



Central Louisiana Area Health Education Center, Inc  
Statement of Financial Position  
June 30, 2017

Assets	
Current Assets	
Cash and cash equivalents	\$ 439,155
Grants receivable	<u>207,368</u>
Total Current Assets	646,523
Plant, Property and Equipment, net	12,299
Total Assets	<u><u>\$ 658,822</u></u>
Liabilities and Net Assets	
Current Liabilities	
Accounts payable	\$ 7,102
Payroll liabilities	<u>36,821</u>
Total Current Liabilities	43,923
Net Assets	
Unrestricted	<u>614,898</u>
Total Net Assets	<u>614,898</u>
Total Liabilities and Net Assets	<u><u>\$ 658,821</u></u>

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

Central Louisiana Area Health Education Center, Inc  
Statement of Activities  
For the Year Ended June 30, 2017

	<u>2017</u>
	<u>Unrestricted</u>
Revenues	
Grant income	\$ 1,913,368
Interest income	6
Program service revenue	<u>6,126</u>
Total Revenues	1,919,500
Functional Expenses	
Program services	1,579,318
Management and general	<u>282,073</u>
Total Functional Expenses	<u>1,861,391</u>
Change in Net Assets	58,108
Net Assets - Beginning	<u>556,790</u>
Net Assets - Ending	<u><u>\$ 614,898</u></u>

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

Central Louisiana Area Health Education Center, Inc  
Statement of Cash Flows  
For the Year Ended June 30, 2017

Cash Flows from Operating Activities	
Change in Net Assets	\$ 58,108
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities	
Depreciation	10,878
Decrease in receivables	136,916
Decrease in accounts payable	(135,178)
Decrease in other liabilities	<u>(32,495)</u>
Net Cash Provided/(Used) by Operating activities	38,229
Net Increase (Decrease) in Cash and Cash equivalents	38,229
Cash and Cash Equivalents - Beginning	<u>400,925</u>
Cash and Cash Equivalents - Ending	<u><u>\$ 439,154</u></u>
Consisting of:	
Cash and cash equivalents	\$ 439,155
Restricted cash	<u>-</u>
Total	<u><u>\$ 439,155</u></u>

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

Central Louisiana Area Health Education Center  
Statement of Functional Expenses  
For the Year Ended June 30, 2017

	<u>Program Service</u>	<u>Management and General</u>	<u>Total Expenses</u>
Salaries	\$ 819,729	\$ 179,941	\$ 999,670
Payroll taxes & benefits	134,728	18,746	153,474
Conference, membership & travel	26,029	11,678	37,707
Insurance	3,250	11,502	14,752
Legal & professional	-	18,566	18,566
Promotional & marketing	274,851	-	274,851
Office	15,511	12,940	28,451
Program expense	284,284	-	284,284
Postage & printing	2,963	4,243	7,206
Telephone & internet	-	18,884	18,884
Other	7,095	5,574	12,668
Depreciation	<u>10,878</u>	<u>-</u>	<u>10,878</u>
	<u>\$ 1,579,318</u>	<u>\$ 282,073</u>	<u>\$ 1,861,391</u>

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

Central Louisiana Area Health Education Center, Inc.  
Notes to the Financial Statements  
June 30, 2017

**Note 1 – Nature of Activities and Significant Accounting Policies**

Nature of Activities

Central Louisiana Area Health Education Center, Inc. (CLAHEC) is a non-profit organization incorporated under the laws of the State of Louisiana on January 6, 1992. Its purpose is to operate an area health education center in Central Louisiana in order to plan for additional clinical education opportunities in rural and underserved communities.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with the generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of CLAHEC and changes therein are classified and reported as follows:

*Unrestricted net assets* – Net assets not subject to donor-imposed stipulations.

*Temporarily restricted net assets* – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the CLAHEC and/or the passage of time. When a 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. As of June 30, 2017, CLAHEC had no temporarily restricted net assets.

*Permanently restricted net assets* – Net assets subject to donor-imposed stipulations that they be maintained permanently by CLAHEC. Generally, the donors of these assets permit the CLAHEC to use all or part of the income earned on any related investments for general or specific purposes. As of June 30, 2017, CLAHEC had no permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Significant estimates have been applied in the determination of depreciation in preparation of the accompanying financial statements.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with original maturities of less than three months.

Central Louisiana Area Health Education Center, Inc.  
Notes to the Financial Statements  
June 30, 2017

**Note 1 – Nature of Activities and Significant Accounting Policies (Continued)**

Revenue Recognition and Promises to Give

Contributions are recognized when the donor makes an unconditional promise to give to the CLAHEC. All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Conditional promises to give are recognized as revenue when the necessary conditions are fulfilled.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one activity are charged to the programs and supporting services based on the estimated amount of time that employees devote to various activities. Additional overhead is allocated to various activities based on the program's direct cost.

Income Taxes

The CLAHEC is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code. Furthermore, CLAHEC is not classified as a "private foundation" by the internal revenue service.

Property and Equipment

Property and equipment are stated at cost. Additions, renewals and betterments that extend the useful life of the assets are capitalized. Maintenance and repair expenditures are expensed as incurred. Provisions for depreciation and amortization are computed using the straight-line method over the assets' useful lives, which range from 3 to 39 years. Capitalization threshold of \$2,000 is used.

Grant Receivable

The CLAHEC determines past-due accounts based on contractual terms of net 30 and does not charge interest on the accounts. The CLAHEC charges off receivables if management considers the collection of the outstanding balance to be doubtful. No allowance is recorded because management believes all accounts to be collectable.

Advertising

Advertising costs are expensed as incurred.

Central Louisiana Area Health Education Center, Inc.  
Notes to the Financial Statements  
June 30, 2017

**Note 2 – Fixed Assets and Depreciation**

The following schedule summarizes estimated useful life, cost and accumulated depreciation of property, plant and equipment as of June 30, 2017:

<u>Description</u>	<u>Life</u>	
Equipment	5 - 10 years	\$ 104,627
Furniture	5 - 10 years	22,814
Less: Accumulated Depreciation		<u>(115,142)</u>
Net Fixed Assets		<u>\$ 12,299</u>

Depreciation expense for the year ended June 30, 2017 was \$10,878.

**Note 3 – Donated Services**

Unpaid volunteers have made significant contributions of their time to the CLAHEC. The value of the contributed time is not reflected in these statements since it is not susceptible to an objective measurement.

**Note 4 – Retirement Plan**

CLAHEC adopted a SEP-IRA for its employees. The Plan covers all full time employees. CLAHEC contributes 10% of the employee's pay. CLAHEC contributed \$89,185 to this Plan during the year ended June 30, 2017.

**Note 5 – Leases**

The CLAHEC is obligated to the following leases, which are classified as operating leases:

- a) Alexandria Office Building and Furnishings – This lease was entered into on June 16, 2015, and is for \$2,134 per month. The lease has an automatic renewal option unless written notice is provided prior to the expiration of the lease.
- b) Baton Rouge Office – This lease was entered into on December 21, 2004, and is for \$1,200 annually and is paid semiannually. The lease is renewable annually.

Future minimum lease obligations for the next five years are:

<u>Years Ended</u>	<u>Amounts</u>
<u>June 30</u>	
2018	\$600

The total lease payments made during the year ended June 30, 2017 was \$26,808.

Central Louisiana Area Health Education Center, Inc.  
Notes to the Financial Statements  
June 30, 2017

**Note 6 – Fair Value Measurement**

FASB ACS 820-10, Fair Value Measurement, defines fair value, establishes a framework for measuring fair value, establishes a three-level valuation hierarchy for disclosure of fair value measurement and enhances disclosure requirements for fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of the fair value of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1 – Represented by quoted prices that are available in an active market. Level 1 securities include highly liquid government bonds, treasury securities, mortgage products and exchange traded equities.

Level 2 – Represented by assets and liabilities similar to Level 1 where quoted prices are not available, but are observable, either directly or indirectly through corroboration with observable market data and estimated using pricing models or discounted cash flows. Level 2 securities would include U.S. agency securities, mortgage-backed agency securities, obligations of states and political subdivisions, and certain corporate, asset backed securities, and swap agreements.

Level 3 – Represented by financial instruments where there is limited activity or unobservable market prices and pricing models significant to determining the fair value measurement include the reporting entity's own assumptions about the market risk. Level 3 securities would include hedge funds, private equity securities, and private investments in public entities.

Fair value of assets measured on a recurring basis at June 30, 2017 are as follows:

<u>Description</u>	<u>Fair Value Measurement at June 30, 2017 Using</u>			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash	\$439,155	\$439,155	\$ -	\$ -

**Note 7 – Concentrations of Risk**

CLAHEC receives substantially all of the support necessary to operate its core programs through grants administered by the Louisiana State University and Agricultural and Mechanical College. The grant amounts are appropriated each year by the Federal government and the State of Louisiana. Management is not aware of any actions that would adversely affect the aggregate amount of funds CLAHEC will receive in the next fiscal year.

CLAHEC maintains cash balances with two national banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2017 cash on deposit that was in excess of the federally insured limits was \$204,510.

Central Louisiana Area Health Education Center, Inc.  
Notes to the Financial Statements  
June 30, 2017

**Note 8 – Subsequent Events**

The CLAHEC has no material subsequent events that would require disclosure. Subsequent events have been evaluated through December 14, 2017, which is the date the financial statements were available for issuance.

**Note 9 – Income Taxes**

As of June 30, 2017, tax years 2014 and subsequent were still within the prescription period for examination by taxing authorities.

Central Louisiana Area Health Education Center, Inc.  
Schedule of Federal Awards  
For the Year Ended June 30, 2017

<u>Federal Grantor/Pass-through Grantor</u>	<u>Federal CDFA Number</u>	<u>Pass- through Identifying Number</u>	<u>Pass- through to Sub- recipients</u>	<u>Federal Expenditures</u>
U. S. Department of Health and Human Services				
Area Health Education Centers Point of Service				
Maintenance and Enhancement Awards				
Indirect Programs:				
Louisiana State University HSC	93.107			\$ 218,147
Preventative Health and Health Services Block				
Grant funded solely with Prevention and Public				
Health Funds				
Indirect Programs:				
State of Louisiana Department of Health and Hospitals Office of Public Health	93.758			316,570
PPHF Cooperative Agreement to Support				
Navigators in Federally-facilitated and State				
Partnership Exchanges				
Indirect Programs:				
Southwest Louisiana Area Health Education Center	93.750			<u>400,193</u>
Total U.S. Department of Health and Human Services				934,910
Department of Agriculture Food and Nutrition Services				
Special Supplemental Nutrition Program for				
Women, Infants and Children				
Indirect Programs:				
State of Louisiana Department of Health and Hospitals Office of Public Health	10.557			<u>356,115</u>
Total Expenditures of Federal Awards				<u>\$1,291,025</u>

Central Louisiana Area Health Education Center, Inc.  
Notes to the Schedule of Federal Awards  
For the Year Ended June 30, 2017

**Note A – Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Central Louisiana Area Health Education Center, Inc. (CLAHEC) . The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Note B – Summary of Significant Accounting Policies**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**Note C – Indirect Cost Rate Election**

The CLAHEC has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance during the year ended June 30, 2017.



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

Board of Directors  
Central Louisiana Area Health Education Center, Inc.  
Alexandria, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Central Louisiana Area Health Education Center, Inc. (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, and have issued our report thereon dated December 14, 2017.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Central Louisiana Area Health Education Center, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Central Louisiana Area Health Education Center, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

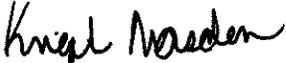
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**Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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. Under Louisiana statutes, this report is distributed by the Legislative Auditor as a public document.

  
KnightMasden  
Alexandria, Louisiana  
December 14, 2017



# KnightMadsen

A Professional Accounting Corporation

John E. Theriot II, CPA, CGMA  
Dona C. Manuel, CPA

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Coan I. Knight, Jr., CPA  
Stephanie R. Lemoine, CPA

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

### *Board of Directors*

Central Louisiana Area Health Education Center, Inc.  
Alexandria, Louisiana

### **Report on Compliance for Each Major Federal Program**

We have audited Central Louisiana Area Health Education Center, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Central Louisiana Area Health Education Center, Inc.'s major federal programs for the year ended June 30, 2017. Central Louisiana Area Health Education Center, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### ***Auditor's Responsibility***

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Central Louisiana Area Health Education Center, Inc.'s compliance.

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***Opinion on Each Major Federal Program***

In our opinion, Central Louisiana Area Health Education Center, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

***Other Matters***

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance.

**Report on Internal Control Over Compliance**

Management of Central Louisiana Area Health Education Center, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Central Louisiana Area Health Education Center, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Central Louisiana Area Health Education Center, Inc.'s internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we considered to be a material weakness. However, a material weakness may exist that has not been identified.

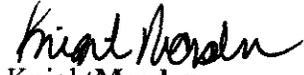


Central Louisiana Area Health Education Center, Inc.

Page 3

December 14, 2017

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana statutes, this report is distributed by the Legislative Auditor as a public document.



**KnightMasden**

Alexandria, Louisiana

December 14, 2017



Central Louisiana Area Health Education Center, Inc.  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2017

**A. Summary of Auditors' Results**

1. The auditors' report expresses an unmodified opinion on the financial statements of Central Louisiana Area Health Education Center, Inc..
2. No control deficiency was disclosed during the audit of the financial statements is reported in the *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*.
3. No instance of noncompliance material to the financial statements of Central Louisiana Area Health Education Center, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit.
4. No material weakness in internal control over major federal award programs disclosed during the audit is reported in the *Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance*.
5. The auditors' report on compliance for the major federal award program administered by Central Louisiana Area Health Education Center, Inc. expresses an unmodified opinion.
6. Audit findings that are required to be reported in accordance with the Uniform Guidance are reported in Section C of this schedule.
7. The program tested as major programs include:  

Preventative Health and Health Services Block Grant	<u>CFDA Number</u>
	93.758
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. Central Louisiana Area Health Education Center, Inc. does not qualify as a low-risk auditee.

Central Louisiana Area Health Education Center, Inc.  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2017

**B. Findings – Financial Statement Audit**

INTERNAL CONTROL AND COMPLIANCE FINDING

No Finding

**C. Findings and Questioned Costs – Major Federal Award Programs Audit**

DEPARTMENT OF AGRICULTURE

Passed through the State of Louisiana

No Finding

Central Louisiana Area Health Education Center  
Schedule of Compensation, Benefits and Other Payments to Gabrielle Juneau,  
Executive Director  
For the Year Ended June 30, 2017

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 12,037
Benefits - insurance	274
Benefits - retirement	1,204
Travel/mileage reimbursements	<u>1,024</u>
	<u>\$ 14,539</u>

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

Central Louisiana Area Health Education Center  
Schedule of Compensation, Benefits and Other Payments to Sharon Womack,  
Executive Director  
For the Year Ended June 30, 2017

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 79,988
Benefits - insurance	1,785
Benefits - retirement	7,999
Travel/mileage reimbursements	5,035
Registration fees	<u>1,190</u>
	<u>\$ 95,997</u>

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



# KnightMadsen

A Professional Accounting Corporation

John E. Theriot II, CPA, CGMA  
Dona C. Manuel, CPA

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Coan I. Knight, Jr., CPA  
Stephanie R. Lemoine, CPA

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

To the Board of Directors of Central Louisiana Area Health  
Education Center, Inc and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by Central Louisiana Area Health Education Center, Inc (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
  - a. Budgeting, including
    - i. preparing,  
*Policy is present in the written policies and procedures manual.*
    - ii. adopting,  
*Policy is present in the written policies and procedures manual.*

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- iii. monitoring, and

*Policy is present in the written policies and procedures manual.*

- iv. amending the budget.

*Policy is present in the written policies and procedures manual.*

b. Purchasing, including

- i. how purchases are initiated;

*Policy is present in the written policies and procedures manual.*

- ii. how vendors are added to the vendor list;

*Policy is present in the written policies and procedures manual.*

- iii. the preparation and approval process of purchase requisitions and purchase orders;

*Policy is present in the written policies and procedures manual.*

- iv. controls to ensure compliance with the public bid law; and

*Policy is not present in the written policies and procedures manual.*

- v. documentation required to be maintained for all bids and price quotes.

*Policy is not present in the written policies and procedures manual.*

c. Disbursements, including

- i. processing,

*Policy is present in the written policies and procedures manual.*

- ii. reviewing, and

*Policy is present in the written policies and procedures manual.*

- iii. approving.

*Policy is present in the written policies and procedures manual.*



d. Receipts, including

- i. receiving,

*Policy is present in the written policies and procedures manual.*

- ii. recording, and

*Policy is present in the written policies and procedures manual.*

- iii. preparing deposits.

*Policy is present in the written policies and procedures manual.*

e. Payroll/Personnel, including

- i. payroll processing, and

*Policy is present in the written policies and procedures manual.*

- ii. reviewing and approving time and attendance records, including leave and overtime worked.

*Policy is present in the written policies and procedures manual.*

f. Contracting, including

- i. types of services requiring written contracts,

*Policy is present in the written policies and procedures manual.*

- ii. standard terms and conditions,

*Policy is present in the written policies and procedures manual.*

- iii. legal review,

*Policy is present in the written policies and procedures manual.*

- iv. approval process, and

*Policy is present in the written policies and procedures manual.*



- v. monitoring process.

*Policy is present in the written policies and procedures manual.*

- g. Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including

- i. how cards are to be controlled,

*Policy is present in the written policies and procedures manual.*

- ii. allowable business uses,

*Policy is present in the written policies and procedures manual.*

- iii. documentation requirements,

*Policy is present in the written policies and procedures manual.*

- iv. required approvers, and

*Policy is present in the written policies and procedures manual.*

- v. monitoring card usage.

*Policy is present in the written policies and procedures manual.*

- h. Travel and expense reimbursement, including

- i. allowable expenses,

*Policy is present in the written policies and procedures manual.*

- ii. dollar thresholds by category of expense,

*Policy is present in the written policies and procedures manual.*

- iii. documentation requirements, and

*Policy is present in the written policies and procedures manual.*

- iv. required approvers.

*Policy is present in the written policies and procedures manual.*



- i. Ethics, including (Note: Ethics requirements are not applicable to nonprofits.)
    - i. the prohibitions as defined in Louisiana Revised Statute 42:1111-1121,  
*Not applicable to nonprofits.*
    - ii. actions to be taken if an ethics violation takes place,  
*Not applicable to nonprofits.*
    - iii. system to monitor possible ethics violations, and  
*Not applicable to nonprofits.*
    - iv. requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.  
*Not applicable to nonprofits.*
  - j. Debt Service, including
    - i. debt issuance approval,  
*Not applicable to nonprofits.*
    - ii. EMMA reporting requirements,  
*Not applicable to nonprofits.*
    - iii. debt reserve requirements, and  
*Not applicable to nonprofits.*
    - iv. debt service requirements.  
*Not applicable to nonprofits.*
2. Obtain and review the board/committee minutes for the fiscal period, and:
- a. Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

*The board met with a quorum on a quarterly basis.*



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

*Budget to actual comparisons were referenced in the quarterly minutes.*

- i. 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.

*No deficit was reported.*

- ii. 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.

*No deficit was reported.*

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

*Non-budgetary financial information was discussed and documented in the minutes.*

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

*List was obtained, and client represented that it was complete.*

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement. For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a. Bank reconciliations have been prepared;

*Monthly bank reconciliations were prepared for each bank account selected.*



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

*Bank reconciliations were reviewed by a member of management or board member that is not involved in banking transactions.*

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

*There were no reconciling items that have been outstanding more than 6 months on the reconciliations that were selected.*

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

*List was obtained, and client represented that it was complete.*

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement. For each cash collection location selected:

- a. Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is

- i. bonded,

*Employee collecting cash is not bonded.*

- ii. not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and

*The employee collecting cash is not responsible for depositing cash in the bank, recording the transaction, or reconciling the bank account.*

- iii. not required to share the same cash register or drawer with another employee.

*No cash register or drawer is used.*



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

*Policy is present in the written policies and procedures manual.*

- c. Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
  - i. Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

*Two of the selected collections were ACH deposits and the other deposit was made 8 days after the collection date.*

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

*Cash collections are completely supported by documentation.*

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

*Policy is present in the written policies and procedures manual.*

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

*List was obtained, and client represented that it was complete.*



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

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

*Purchase orders were used to initiate the purchases for all transactions.*

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

*Purchase orders were approved by someone who did not initiate the purchase.*

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

*All disbursements selected had an invoice approved at time of payment.*

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

*Policy is present in the written policies and procedures manual.*

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

*Policy is present in the written policies and procedures manual.*

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

*Policy is present in the written policies and procedures manual.*



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

*No signature stamp is used. Signed checks are kept in a locked location until mailed.*

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

*List was obtained, and client represented that it was complete.*

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

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

*Monthly statements and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.*

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

*No finance charges were assessed on the selected statements.*

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

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

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

*An original itemized receipt was present for each transaction tested.*



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

*Documented business purpose was present for all transactions.*

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

*Other documentation required by the written policy was present for all transactions.*

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

*No transactions selected were subject to the Louisiana Public Bid Law.*

- c. For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

*Each transaction selected follows Article 7, Section 14 of the Louisiana Constitution.*

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

*List was obtained, and client represented that it was complete.*

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

*Rates are present in the written policies and procedures manual. Rates do not exceed the established rates of the U. S. General Services Administration.*



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

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

*Each expense was reimbursed in accordance with the written policy.*

- b. Report whether each expense is supported by:

- i. 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.]

*An original itemized receipt was present for each reimbursement.*

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

*Documentation on the business/public purpose was present for each reimbursement.*

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

*Documentation required by a written policy was present.*

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

*Each transaction selected follows Article 7, Section 14 of the Louisiana Constitution.*



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

*Each transaction has written approval by someone other than the person receiving the reimbursement.*

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

*List was obtained, and client represented that it was complete.*

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

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

*Each vendor selected had a formal written contract that supports the services arrangement and the amount paid.*

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

- i. 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).

*None of the contracts selected were subject to the Louisiana Bid Law.*

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

*None of the five contracts selected were subject to the Louisiana Bid Law. Quotes were not solicited for any of the contracts.*

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

*Three of the five contracts were amended. The contract terms provided for the amendments. The three amended contracts changed the monthly amount due by less than \$500 each.*



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

*A supporting invoice was present for all five transactions selected. The invoice and subsequent payment complied with the term and conditions of the contract.*

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

*All five contracts selected for testing were approved by the board and the approval was documented in the minutes.*

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

*List was obtained, and client represented that it was complete.*

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

*Compensation paid based on employment contract.*

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

*No pay changes for the five employees selected.*

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

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

*All selected employees/officials document their daily attendance and leave.*



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

*For employees with leave hours on selected payroll, written approved documentation was present.*

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

*Written documentation is kept on all leave balances.*

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete.

*List was obtained, and client represented that it was complete.*

- a. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials.

*Two termination payments were selected.*

- b. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

*Termination payments made in accordance with written policy and approved by management.*

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

*The entity paid all tax payments by the required deadlines.*

*The entity filed all required payroll tax reporting forms by the required deadlines for the fiscal year.*

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

*Not applicable to nonprofits.*



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

*Not applicable to nonprofits.*

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

*Not applicable to nonprofits.*

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

*Not applicable to nonprofits.*

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

*Not applicable to nonprofits.*

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

*The entity did not have any misappropriations of public funds or assets.*

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

*The entity does not have the notice required by R.S. 24:523.1 posted on its premises and/or website.*



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

*No exceptions regarding management's representations were identified.*

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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



**KnightMasden**  
Alexandria, Louisiana  
December 14, 2017

