

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.

MONROE, LOUISIANA

FINANCIAL STATEMENTS

AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED

DECEMBER 31, 2018

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
DECEMBER 31, 2018

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Ouachita Multi-Purpose Community Action Program, Inc., and related statement of activities, schedule of functional expenses, and cash flows for the year ended December 31, 2018, 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Ouachita Multi-Purpose Community Action Program, Inc., as of December 31, 2018, and the respective changes in 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

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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*, and the schedule of compensation, benefits and other payments to agency head or chief executive officer are presented for purposes of additional analysis and are 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 June 17, 2019 on our consideration of Ouachita Multi-Purpose Community Action Program, 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 the 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 Ouachita Multi-Purpose Community Action Program, Inc.'s internal control over financial reporting and compliance.

Johnson Perry Roussel & Cuthbert, LLP

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
June 17, 2019

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
 MONROE, LOUISIANA
 STATEMENT OF FINANCIAL POSITION
 FOR THE YEAR ENDED DECEMBER 31, 2018

<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	304,137	
Accounts Receivable - Grants	869	
Prepaid Insurance	<u>14,836</u>	
<u>TOTAL CURRENT ASSETS</u>		319,842
<u>FIXED ASSETS AND PROPERTY</u>		
Furniture, Buildings, and Equipment at Cost, Net	797,610	
Land	<u>52,000</u>	
<u>TOTAL FIXED ASSETS AND PROPERTY</u>		<u>849,610</u>
<u>TOTAL ASSETS</u>		<u>1,169,452</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	4,414	
Accrued Expenses	<u>22,097</u>	
<u>TOTAL CURRENT LIABILITIES</u>		26,511
<u>NET ASSETS</u>		
Without Donor Restrictions	1,142,941	
With Donor Restrictions	<u>-</u>	
<u>TOTAL NET ASSETS</u>		<u>1,142,941</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>		<u>1,169,452</u>

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

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
<u>SUPPORT AND REVENUE</u>			
Grants - CSBG	605,301	-	605,301
Grants - LIHEAP	1,644,928	-	1,644,928
Miscellaneous	<u>55,144</u>	<u>-</u>	<u>55,144</u>
<u>TOTAL SUPPORT AND REVENUE</u>	<u>2,305,373</u>	<u>-0-</u>	<u>2,305,373</u>
<u>EXPENSES</u>			
Program Services:			
CSBG	361,449	-	361,449
OCOG	27,830	-	27,830
Home Energy Assistance (LIHEAP)	<u>1,620,411</u>	<u>-</u>	<u>1,620,411</u>
<u>TOTAL PROGRAM SERVICES</u>	<u>2,009,690</u>	<u>-0-</u>	<u>2,009,690</u>
<u>SUPPORT SERVICES</u>			
General and Administrative	<u>312,916</u>	<u>-</u>	<u>312,916</u>
<u>TOTAL SUPPORT SERVICES</u>	<u>312,916</u>	<u>-0-</u>	<u>312,916</u>
<u>FUND-RAISING</u>			
	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL FUND-RAISING</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>TOTAL EXPENSES</u>	<u>2,322,606</u>	<u>-0-</u>	<u>2,322,606</u>
<u>EXCESS (DEFICIT) OF SUPPORT OVER EXPENSES</u>	(17,233)	-	(17,233)
<u>CHANGES IN NET ASSETS</u>			
Acquisition of Property	-	-	-
<u>NET ASSETS WITHOUT DONOR RESTRICTIONS - BEGINNING OF YEAR</u>	<u>1,160,174</u>	<u>-0-</u>	<u>1,160,174</u>
<u>NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR</u>	<u>1,142,941</u>	<u>-0-</u>	<u>1,142,941</u>

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

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Change in Net Assets	(17,233)
Adjustments to Reconcile Increase in Net Assets	
To Net Cash Provided (Used) by Operating Activities:	
Depreciation	78,333
(Increase) Decrease in:	
Accounts Receivable - Grants	1,636
Prepaid Expenses	(14,836)
Increase (Decrease) in Operating Liabilities -	
Accounts Payable	4,414
Accrued Liabilities	(2,767)
 <u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	 <u>49,547</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Purchase of Fixed Assets	<u>-0-</u>
 <u>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</u>	 <u>-0-</u>
 <u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>	
None	<u>-</u>
 <u>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</u>	 <u>-0-</u>
 <u>NET INCREASE IN CASH AND CASH EQUIVALENTS</u>	 <u>49,547</u>
 <u>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</u>	 <u>254,590</u>
 <u>CASH AND CASH EQUIVALENTS - END OF YEAR</u>	 <u>304,137</u>
 <u>SUPPLEMENTAL CASH BASIS DATA</u>	
Interest Paid	-0-
Income Taxes Paid	-0-

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

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
 MONROE, LOUISIANA
 STATEMENT OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 2018

	Home Energy Assistance <u>LIHEAP</u>	<u>OCO</u>	<u>CSBG</u>
Salaries	59,132	-	151,301
Fringe Benefits	29,332	-	39,585
Travel & Training	3,134	-	1,817
Occupancy	-	-	15,000
Telephone	-	-	13,095
Insurance	-	-	18,506
Supplies & Postage	9,531	-	27,263
Repairs & Maintenance	9,222	-	2,644
Professional Services	12,198	-	-
Miscellaneous	6,341	308	92,238
Client Assistance Payments	<u>1,490,650</u>	<u>-</u>	<u>-</u>
<u>TOTAL EXPENSES</u> <u>BEFORE DEPRECIATION</u>	1,619,540	308	361,449
<u>DEPRECIATION</u>	<u>871</u>	<u>27,522</u>	<u>-</u>
<u>TOTAL EXPENSES</u>	<u>1,620,411</u>	<u>27,830</u>	<u>361,449</u>

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

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
 MONROE, LOUISIANA
 STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Total Program Services</u>	<u>General And Administrative</u>	<u>Total Expenses</u>
Salaries	210,433	152,099	362,532
Fringe Benefits	68,917	44,088	113,005
Travel & Training	4,951	2,925	7,876
Occupancy	15,000	15,000	30,000
Telephone	13,095	11,485	24,580
Insurance	18,506	3,708	22,214
Supplies & Postage	36,794	10,436	47,230
Repairs & Maintenance	11,866	-	11,866
Professional Services	12,198	9,014	21,212
Miscellaneous	98,887	14,221	113,108
Client Assistance Payments	<u>1,490,650</u>	<u>-</u>	<u>1,490,650</u>
 <u>TOTAL EXPENSES</u> <u>BEFORE DEPRECIATION</u>	 1,981,297	 262,976	 2,244,273
 <u>DEPRECIATION</u>	 <u>28,393</u>	 <u>49,940</u>	 <u>78,333</u>
 <u>TOTAL EXPENSES</u>	 <u>2,009,690</u>	 <u>312,916</u>	 <u>2,322,606</u>

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

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Nature of Activities

Ouachita Multi-Purpose Community Action Program, Inc. (OMCAP) is a private nonprofit corporation incorporated under the laws of the State of Louisiana. OMCAP is governed by a Board of Directors composed of members from Ouachita Parish. OMCAP operates as a community action agency administering various federal and state funded programs designed to provide assistance to the poor and disadvantaged in Ouachita Parish in Louisiana. The following programs, with their approximate percentage of total revenues indicated, are administered by OMCAP:

Community Services Block Grant (CSBG) (26.25%) - Administers programs designed to provide services and activities that will have a measurable impact on causes of poverty in the community. Funding is provided by federal funds passed through the Louisiana Department of Labor.

Home Energy Assistance Program (71.35%) - Assists low income households to offset the burden of high energy costs. Funding is provided by federal funds passed through the Louisiana Housing Finance Agency. The Home Energy Assistance Program is a major program for the year ended December 31, 2018.

Ouachita Council of Governments (OCOG) (0.00%) - Accounts for quarterly reimbursements received from the Ouachita Council of Governments for general organization operations.

General Services (2.40%) - Provides payment of necessary organization expenses not specifically attributable to a grant/contract operated by the organization. Funding is provided by various donations.

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

B. Method of Accounting

The financial statements of OMCAP have been prepared on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

C. Basis of Presentation

The financial statements have been prepared in accordance with U.S generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization and the board of directors.

Net Assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities

D. Income Taxes

OMCAP is a nonprofit corporation and is exempt from state and federal income taxes under Section 501(c)(3)

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

D. Income Taxes (Continued)

of the Internal Revenue Code. However, income from certain activities not directly related to OMCAP's tax-exempt purpose is subject to taxation as unrelated business income. OMCAP had no such income for this audit period.

E. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. Cash and Cash Equivalents

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

G. Property and Equipment

Acquisitions of buildings, equipment, and improvements and all expenditures for repairs, maintenance, and betterments in excess of \$5,000 that materially prolong the useful lives of assets are capitalized. Capitalized assets are stated at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of each asset.

The Federal Government has a reversionary interest in property purchased with federal funds. Its disposition as well as the ownership of any proceeds there from is subject to federal regulations. The use of assets purchased with federal funds is limited to the purposes intended by the funding agency.

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

H. Revenue and Support

Contributions received are recorded as support without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. Contractual grant revenue is reported as support without donor restrictions due to the restrictions placed on those funds by the funding sources being met in the same reporting period as the revenue is earned.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

I. Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management has determined that fund-raising expenses are not material.

J. Advertising Costs

Advertising costs are expensed as they are incurred. Advertising expenses for the year ended December 31, 2018 are immaterial.

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

K. Fair Value of Financial Instruments

The carrying amount of cash and cash equivalents and receivables approximates fair value because of the short maturity of these financial instruments.

L. New Accounting Pronouncement

On August 18, 2016, FASB issued ASU 2016-14, *Not-for-Profit Entities - Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net assets classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly.

NOTE 2 - FUNDING POLICIES AND SOURCES OF FUNDS:

The Organization receives its monies through various methods of funding. Most of the funds are received on a grant basis. Under this method funds are received as needed or on a monthly or quarterly allocation of the total budget (grant) in advance of the actual expenditure. The Organization also receives funds as a reimbursement of actual expenditures, and upon a per unit of service provided method. The Organization also receives funds by contributions from both public and private sources. The loss of any of the large sources could have a negative effect on the Organization.

NOTE 3 - CASH IN BANK:

All funds are in institutions insured by an agency of the federal government. The Organization has pledged securities to cover any uninsured cash balances.

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018

NOTE 4 - CONCENTRATIONS OF CREDIT RISK:

Concentrations of credit risk with respect to grant receivables were limited due to the balance being comprised of amounts due from governmental agencies under contractual terms. As of December 31, 2018, OMCAP had no significant concentrations of credit risk in relation to grant receivables.

NOTE 5 - GRANT RECEIVABLES:

Accounts Receivable - Grants at December 31, 2018 consists of reimbursements for expenses incurred under the various grant programs. The following list presents Accounts Receivable - Grants by fund at December 31, 2018.

LIHEAP	<u>869</u>
<u>Total</u>	<u>869</u>

Management has determined that the allowance for bad debts is not material. Receivables are written off when management deems them not collectible.

NOTE 6 - BOARD OF DIRECTORS' COMPENSATION:

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

NOTE 7 - DONATED SERVICES - VOLUNTEERS:

No amounts have been reported in the financial statements for donated services or volunteers because no objective basis is available to measure the value of such services. Board members receive no compensation for services provided.

NOTE 8 - PROPERTY AND EQUIPMENT:

Details of property and equipment are as follows:

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
 MONROE, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2018

NOTE 8 - PROPERTY AND EQUIPMENT: (Continued)

	Beginning Balance <u>1/01/2018</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>12/31/2018</u>
Land	52,000	-	-	52,000
Buildings & Improvements	1,932,598	-	-	1,932,598
Furniture & Equipment	939,897	-	-	939,897
Accumulated Depreciation	<u>(1,996,552)</u>	<u>(78,333)</u>	-	<u>(2,074,885)</u>
Net Property & Equipment	<u>927,943</u>	<u>(78,333)</u>	<u>-0-</u>	<u>849,610</u>

Property and equipment consisted of the following at December 31, 2018:

	Estimated Depreciable Life	Purchased With Federal Funds	Purchased With Non- Federal Funds	Total
Land		32,500	19,500	52,000
Buildings & Improvements	5 - 30 Years	1,914,886	17,712	1,932,598
Furniture & Equipment	3 - 7 Years	922,222	17,675	939,897
Accumulated Depreciation		<u>(2,046,204)</u>	<u>(28,681)</u>	<u>(2,074,885)</u>
Net Investment In Property & Equipment		<u>823,404</u>	<u>26,206</u>	<u>849,610</u>

Depreciation expense for the year ended December 31, 2018 was \$78,333. The straight-line method of depreciation is used to record depreciation.

NOTE 9 - RETIREMENT PLAN:

OMCAP participates in a simplified employee pension whereby an amount equal to 7% of the salary of eligible employees is contributed to the plan. The amount contributed by OMCAP for the year ended December 31, 2018 was \$25,881.

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018

NOTE 10 - LEASES:

The Organization leases an administrative building under an operating lease. The rental cost for the year ended December 31, 2018 was \$30,000. There were no commitments under lease agreements having initial or remaining non-cancelable terms in excess of one year as of December 31, 2018. The current lease is currently operating on a month to month basis.

NOTE 11 - ACCRUED EXPENSES:

Accrued expenses consisted of the following at December 31, 2018:

Accrued Leave	22,097
Payroll Taxes Payable	<u> -</u>
<u>Total</u>	<u>22,097</u>

NOTE 12 - RELATED PARTY:

There were no related party transactions during the period ending December 31, 2018.

NOTE 13 - NONCOMPLIANCE FINDINGS AND QUESTIONED COSTS:

The Organization receives funding/grants from various government agencies and such funding is subject to certain requirements and conditions. The items listed in the schedule of findings and questioned costs will be reviewed by the appropriate funding agency and a final resolution of the questioned costs will be made by such agency.

NOTE 14 - SUBSEQUENT EVENTS:

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Organization through June 17, 2019, the date the report was

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018

NOTE 14 - SUBSEQUENT EVENTS: (Continued)

available for issue, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosures in the notes to the financial statements, except as previously disclosed.

NOTE 15 - IMPAIRMENT OF LONG-LIVED ASSETS:

In accordance with the accounting guidance for the impairment or disposal of long-lived assets, the Organization reviews its property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. No impairment loss has been recognized to date.

NOTE 16 - UNCERTAIN TAX POSITIONS:

The non-profit corporation is subject to examination by various taxing authorities, including federal income tax examinations. Management has reviewed the Organization's activities and believes that no additional amounts or disclosures are needed, as the effect of any uncertain tax positions is not material to the financial statements. The tax returns for the years 2018, 2017, 2016, and 2015 are open for examination by various taxing authorities.

NOTE 17 - CONTINGENCY LIABILITY:

In prior years, the organization sponsored a 403(b) plan for its employees. The organization has been unable to file the plan tax return (Form 5500) for several years due to the entity that invested the money for plan participants being unable to provide enough documentation to enable the plan administrators to file a complete tax return (Form 5500). OMCAP is working to rectify the filing of the returns. If OMCAP is unable to rectify the late filings, it may be subject to substantial penalties imposed by the Department of Labor and/or the Internal Revenue Service.

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018

NOTE 18 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The following reflects the Organization's financial assets as of the balance sheet date of December 31, 2018, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Financial Assets at December 31, 2018	305,006
Less those unavailable for general expenditure within one year, due to:	
Donor-Restricted	<u> -</u>
Financial assets availability to meet cash needs for general expenditure, within one year	<u>305,006</u>

SUPPLEMENTARY FINANCIAL INFORMATION

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
 MONROE, LOUISIANA
 SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO
 AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
 FOR THE PERIODS ENDED DURING FISCAL YEAR DECEMBER 31, 2018

AGENCY HEAD NAME/TITLE: KEMA DAWSON, EXECUTIVE DIRECTOR

<u>Purpose</u>	<u>Amount</u>
Salary	32,506
Benefits-insurance	-0-
Benefits-retirement	2,275
Benefits-other (describe) Cell Phone	-0-
Benefits-other (describe)	-0-
Benefits-other (describe)	-0-
Car allowance	-0-
Vehicle provided by government (enter amount reported on W-2)	-0-
Per diem	-0-
Reimbursements	-0-
Travel	734
Registration Fees	-0-
Conference travel	-0-
Housing	-0-
Unvouchered expenses (example: travel advances, etc.)	-0-
Special meals	-0-
Other	-0-

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
 MONROE, LOUISIANA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2018

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NUMBER</u>	<u>EXPENDITURES</u>
<u>U.S. Department of Health and Human Services</u>			
477 Cluster			
Passed Through Louisiana Workforce Commission			
Community Services Block Grant	93.569	2018N0027 2017N0027	605,301
<u>Total 477 Cluster</u>			605,301
Passed Through Louisiana Housing Finance Agency			
*Low-Income Home Energy Assistance Program	93.568	Unknown	1,619,540
<u>Total U.S. Department Of Health and Human Services</u>			2,224,841
<u>TOTAL FEDERAL EXPENDITURES</u>			<u>2,224,841</u>

* Major Program

See accompanying notes to Schedule of Expenditures of Federal Awards.

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE A-BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal award activity of Ouachita Multi-Purpose Community Action Program, Inc., and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Ouachita Multi-Purpose Community Action Program, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Ouachita Multi-Purpose Community Action Program, Inc.

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. Ouachita Multi-Purpose Community Action Program, Inc. has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE C-SUBRECIPIENTS

Ouachita Multi-Purpose Community Action Program, Inc. did not provide federal awards to subrecipients.

COMPLIANCE REPORTS

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.

ROWLAND H. PERRY, CPA, APC
CHARLES L. JOHNSON, JR., CPA
VIOLET M. ROUSSEL, CPA, APC
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INDEPENDENT AUDITORS' 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
Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, 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 Ouachita Multi-Purpose Community Action Program, Inc. (a nonprofit organization) as of and for the year ended December 31, 2018, and the related notes to the financial statements, and have issued our report thereon dated June 17, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ouachita Multi-Purpose Community Action Program, 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Ouachita Multi-Purpose Community Action Program, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Ouachita Multi-Purpose Community Action Program, Inc.'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a material weakness. This finding is listed as 2018-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ouachita Multi-Purpose Community Action Program, 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Ouachita Multi-Purpose Community Action Program, Inc.'s Response to Findings

Ouachita Multi-Purpose Community Action Program, Inc.'s responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Ouachita Multi-Purpose Community Action Program, Inc.'s responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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

Johnson Perry Roussel & Cuthbert, LLP

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
June 17, 2019

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Ouachita Multi-Purpose Community Action Program, Inc.
Monroe, Louisiana

Report of Compliance for Each Major Federal Program

We have audited Ouachita Multi-Purpose Community Action Program, 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 Ouachita Multi-Purpose Community Action Program, Inc.'s major federal programs for the year ended December 31, 2018. Ouachita Multi-Purpose Community Action Program, Inc.'s major federal programs are identified in the summary of auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Ouachita Multi-Purpose Community Action Program, 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 Ouachita Multi-Purpose Community Action Program, 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 Ouachita Multi-Purpose Community Action Program, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Ouachita Multi-Purpose Community Action Program, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2018.

Internal Control over Compliance

Management of Ouachita Multi-Purpose Community Action Program, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements referred to above. In planning and performing our audit of compliance, we considered Ouachita Multi-Purpose Community Action Program, 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 Ouachita Multi-Purpose Community Action Program, 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 consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Johnson Perry Roussel & Cuthbert, LLP

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
June 17, 2019

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018

SECTION I - SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on whether the financial statements of OMCAP, Inc. were prepared in accordance with GAAP.
2. Finding 2018-001 regarding the filing of Form 5500s is a material weakness.
3. There were no instances of noncompliance material to the financial statements of OMCAP, Inc.
4. No material weaknesses were identified during the audit of the major federal award program.
5. The auditors' report on compliance for the major federal award program for OMCAP, Inc. expresses an unmodified opinion.
6. Audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) are reported in this Schedule.
7. The programs tested as major programs were: Department of Health and Human Services - Low-Income Home Energy Assistance Program CFDA No. 93.568.
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. OMCAP, Inc. was not determined to be a low-risk auditee.

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

SECTION II - FINANCIAL STATEMENT FINDINGS

2018-001

Criteria: The Organization's former retirement plan required Form 5500s which were due seven months after each plan year, and must contain an audit of the plan.

Condition: The Organization has not filed an IRS Form 5500 for several years in the past under the former retirement plan.

Questioned Costs: None

Context: Oversight of the third party administrator of the retirement plan.

Effect: The IRS could impose significant penalties on the Organization.

Cause: The Organization has been unable to find an auditor that will complete the required audit, due to a lack of documentation by one of the pension service providers.

Recommendation: The Organization should continue to work with its tax attorney until this issue is resolved.

Reply: Management agrees with this finding and will continue to consult with its tax attorney to assist in resolving this issue.

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no federal award findings or questioned costs for the year ended December 31, 2018.

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.

P.O. BOX 3086
MONROE, LOUISIANA 71210

CORRECTIVE ACTION PLAN - CURRENT YEAR

June 17, 2019

To: The Oversight Agency for Audit
Health and Human Services Department

Ouachita Multi-Purpose Community Action Program, Inc. submits the following corrective action plan for the year ended December 31, 2018.

Independent Public Accounting Firm: Johnson, Perry, Roussel & Cuthbert, LLP, 3007 Armand Street, Monroe, LA 71201.

Findings from the December 31, 2018 schedule of findings and questioned costs are discussed below:

FINDINGS - FINANCIAL STATEMENT FINDINGS

Material Weakness

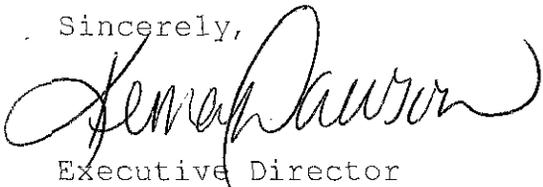
2018-001 The Organization has not filed an IRS Form 5500 for several years in the past under the former retirement plan.

Recommendation: The Organization should continue to work with its tax attorney until this issue is resolved.

Action Taken: Management will continue to consult with its tax attorney to assist in resolving this issue.

Please contact Kema Dawson with any questions regarding this plan at 318-322-7151.

Sincerely,



Executive Director
Ouachita Multi-Purpose Community Action Program, Inc.

OUACHITA MULTI-PURPOSE COMMUNITY ACTION PROGRAM, INC.

P.O. BOX 3086
MONROE, LOUISIANA 71210

CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS

SECTION I - Internal Control

2017-002

Finding: The Organization has not filed an IRS Form 5500 for several years.

Status: Uncleared

SECTION II - Compliance

There were no compliance findings for the year ended December 31, 2017.

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Ouachita Multi-Purpose Community Action Program, Inc. and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Ouachita Multi-Purpose Community Action Program, Inc. (the Organization) 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 January 1, 2018 to December 31, 2018. The Organization's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the Organization'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.
- 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.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Findings: The written policies on purchasing do not:

1. Address preparing, adopting, monitoring, and amending the budget.
2. Address management's actions to determine completeness of all collections for each type of revenue.
3. State how vendors are added to the vendor list.

4. Address allowable expenses for travel and reimbursements and dollar thresholds for travel by category and expense reimbursement.

5. Address debt service; however, the Organization has no debt.

Except as otherwise stated, no other exceptions were identified in the performance of the procedures listed above.

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 non-profit accounting model, observe that the minutes referenced or included financial activity related to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal year.

Findings: No exceptions noted.

Bank Reconciliations

3. Obtain a listing of the Organization's 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 at the end of the statement closing date.

Findings: There were 3 outstanding checks older than 12 months on one bank reconciliation that had not been researched and resolved.

Except as otherwise stated, no other exceptions were identified in the performance of the procedures listed above.

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).

Findings: We obtained the listing and management's representation.

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.

Findings: No exceptions noted.

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

Findings: No exceptions noted.

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). 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.

Findings: No exceptions noted.

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).

Findings: We obtained the listing of locations that process payments and management's representation.

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.

Findings: No exceptions noted.

10. For each location selected under #8 above, obtain the Organization'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.

Findings: No exceptions noted.

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.

Findings: We obtained the listing and management's representation.

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.

Findings: No exceptions noted.

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).

Findings: No exceptions noted.

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.

Findings: We obtained the general ledger and the Organization's travel and related expense reimbursements. We obtained management's representation.

No exceptions noted.

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.

Findings: We obtained a list of contracts and management's representations.

No exceptions noted.

Payroll and Personnel

16. Obtain a listing of employees employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Findings: We obtained a listing of employees and management's representation.

No exceptions were noted.

17. Randomly select one pay period during the fiscal period. For the 5 employees selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).
- b) Observe that supervisors approved the attendance and leave of the selected employees.
- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Findings: No exceptions noted.

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

Findings: We obtained a listing of terminated employees and management's representation.

No exceptions noted.

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.

Findings: No exceptions noted.

Ethics (excluding nonprofits)

20. Using the five randomly selected employees from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management and:

- a) Observe that the documentation demonstrates each employee completed one hour of ethics training during the fiscal period.

b) Observe that the documentation demonstrates each employee attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Findings: These procedures are not applicable to non-profit organizations.

Debt Service

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

Findings: We noted that no debt was issued during the fiscal period, nor does the Organization have debt. This procedure is not applicable.

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

Findings: We noted that the Organization did not have any outstanding debt during the fiscal period. This procedure is not applicable.

Other

23. 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.

Findings: We noted that there were no misappropriations of public funds or assets reported to the Organization.

24. 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.

Findings: No exceptions noted.

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.

Johnson Perry Roussel & Cuthbert, LLP

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
June 17, 2019