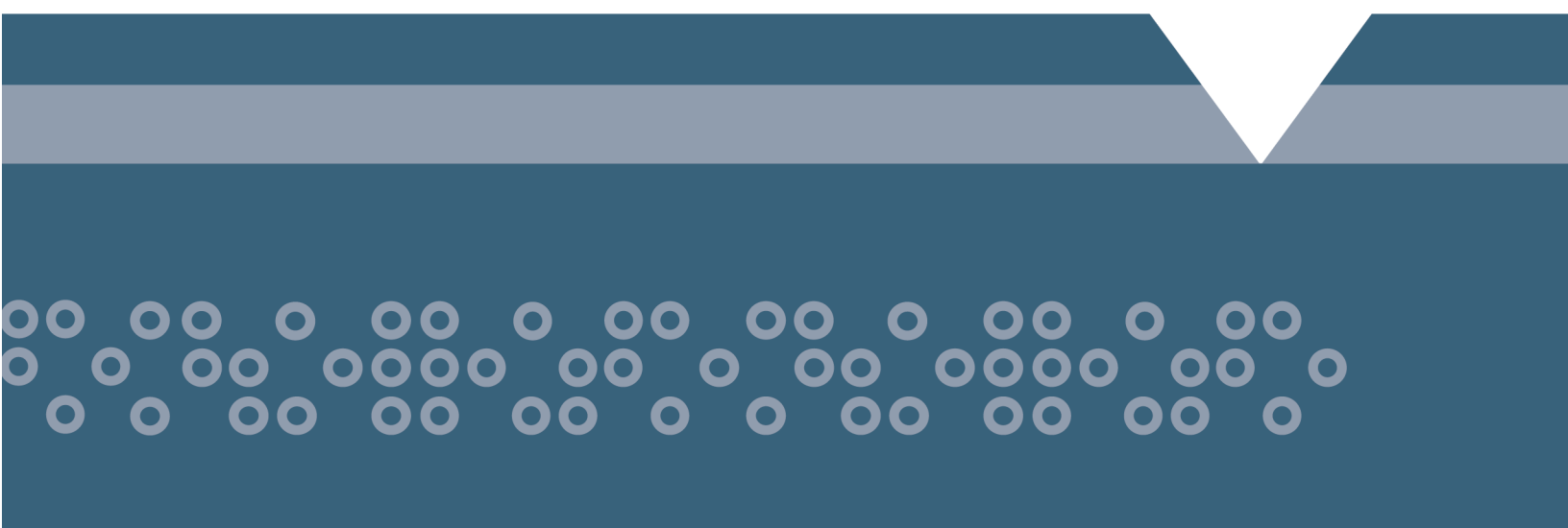


Humanitarian Enterprises of Lincoln Parish

Ruston, Louisiana

Financial Statements

For the Year Ended December 31, 2023



CERTIFIED PUBLIC
ACCOUNTANTS

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH

RUSTON, LOUISIANA

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The Board of Commissioners
Humanitarian Enterprises of Lincoln Parish
Ruston, Louisiana

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities of the Humanitarian Enterprises of Lincoln Parish (which is the “Center” as well as “the primary government”) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Center’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Humanitarian Enterprises of Lincoln Parish as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Humanitarian Enterprises of Lincoln Parish and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Humanitarian Enterprises of Lincoln Parish’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Humanitarian Enterprises of Lincoln Parish's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Humanitarian Enterprises of Lincoln Parish's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedule be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements,

and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurances.

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Center's basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head, is presented for purposes of additional analysis and is not a required part of the basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic 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 January 7, 2025, on our consideration of the Humanitarian Enterprises of Lincoln Parish'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 solely 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 effectiveness of the Humanitarian Enterprises of Lincoln Parish's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Humanitarian Enterprises of Lincoln Parish's internal control over financial reporting and compliance.

HEARD, McELROY & VESTAL, L.L.C.

Shreveport, Louisiana
January 7, 2025

GOVERNMENT-WIDE FINANCIAL STATEMENTS

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH

STATEMENT OF NET POSITION

DECEMBER 31, 2023

	<u>Governmental Activities</u>
Assets	
Cash	\$ 603,489
Accounts Receivable	195,789
Due From Other Governments	318,715
Capital Assets:	
Depreciable	<u>208,998</u>
Total Assets	<u>1,326,991</u>
Deferred Outflows of Resources	
OPEB Related	229,517
Prepaid Expenses	<u>19,379</u>
Total Deferred Outflows of Resources	<u>248,896</u>
Liabilities	
Due To Other Governments	1,155,705
Non-Current Liabilities	
Compensated Absences	12,051
OPEB Liability	<u>368,738</u>
Total Liabilities	<u>1,536,494</u>
Deferred Inflows of Resources	
OPEB Related	<u>168,400</u>
Total Deferred Inflows of Resources	<u>168,400</u>
Net Position	
Net Investment in Capital Assets	208,998
Unrestricted	<u>(338,005)</u>
Total Net Position	<u>\$ (129,007)</u>

See accompanying notes to basic financial statements.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2023

				Net (Expense) Revenue and Changes in Net Position
		Program Revenues		
Function/Program Activities		Charges for	Operating	Capital
	Expenses	Services	Grants and Contributions	Grants and Contributions
				Governmental Activities
Government Activities:				
Health and Welfare	<u>\$ 973,730</u>	<u>\$ 583</u>	<u>\$ 741,284</u>	<u>\$ -</u>
				<u>\$ (231,863)</u>
		General Revenues:		
		Interest Income		10,779
		Miscellaneous		<u>928</u>
		Total General Revenues		<u>11,707</u>
		Change in Net Position		(220,156)
		Net Position - Beginning		97,683
		Prior Period Adjustment		<u>(6,534)</u>
		Fund Balance - Beginning (Restated)		<u>91,149</u>
		Net Position - Ending		<u>\$ (129,007)</u>

See accompanying notes to basic financial statements.

FUND FINANCIAL STATEMENTS

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH

BALANCE SHEET

GOVERNMENTAL FUNDS

DECEMBER 31, 2023

	General Fund	Transportation Fund	Community Service Block Grant	LIHEAP Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 33,219	\$ 277,336	\$ 114,873	\$ 178,061	\$ -	\$ 603,489
Accounts Receivable	-	40,469	100,894	54,426	-	195,789
Prepaid Expenses	-	19,379	-	-	-	19,379
Due From Other Governments	-	318,236	374	105	-	318,715
Due From Other Funds	33,514	33,945	99,518	29,151	-	196,128
TOTAL ASSETS	<u>\$ 66,733</u>	<u>\$ 689,365</u>	<u>\$ 315,659</u>	<u>\$ 261,743</u>	<u>\$ -</u>	<u>\$ 1,333,500</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Due To Other Governments	\$ 8,922	\$ 573,920	\$ 373,980	\$ 198,883	\$ -	\$ 1,155,705
Due To Other Funds	56,275	364	99,470	40,019	-	196,128
Total Liabilities	<u>65,197</u>	<u>574,284</u>	<u>473,450</u>	<u>238,902</u>	<u>-</u>	<u>1,351,833</u>
Fund Balances:						
Nonspendable	-	19,379	-	-	-	19,379
Restricted	-	95,702	-	22,841	-	118,543
Assigned	-	-	-	-	-	-
Unassigned	1,536	-	(157,791)	-	-	(156,255)
Total Fund Balances	<u>1,536</u>	<u>115,081</u>	<u>(157,791)</u>	<u>22,841</u>	<u>-</u>	<u>(18,333)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 66,733</u>	<u>\$ 689,365</u>	<u>\$ 315,659</u>	<u>\$ 261,743</u>	<u>\$ -</u>	<u>\$ 1,333,500</u>

See accompanying notes to basic financial statements.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023

Total Governmental Fund Balances	\$ (18,333)
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Amounts reported for governmental activities in the statement of net position are different because of the following:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:

Governmental Capital Assets	509,717
Less Accumulated Depreciation	<u>(300,719)</u>
	208,998

Pension related items are not reported in the governmental funds:

Deferred Outflows OPEB related	229,517
Deferred Inflows OPEB related	(168,400)
Net OPEB Liability	<u>(368,738)</u>
	(307,621)

Compensated absences are not due and payable in the current period and therefore are not reported in the funds.

<u>(12,051)</u>

Net Position of Governmental Activities	<u><u>\$ (129,007)</u></u>
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See accompanying notes to basic financial statements.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	General Fund	Transportation Fund	Community Service Block Grant	LIHEAP Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Intergovernmental revenues:						
Grant receipts	\$ 14,645	\$ 376,777	\$ 252,575	\$ 97,287	\$ -	\$ 741,284
Transportation fares	-	583	-	-	-	583
Interest Income	1,494	4,354	-	4,931	-	10,779
Miscellaneous	-	50	-	878	-	928
Total Revenues	<u>16,139</u>	<u>381,764</u>	<u>252,575</u>	<u>103,096</u>	<u>-</u>	<u>753,574</u>
Health and Welfare Expenditures						
Salaries and Benefits	-	278,064	120,978	79,370	-	478,412
Vehicle Maintenance and Insurance	-	98,910	75	72	-	99,057
Operating Services and Supplies	-	13,370	6,115	8,468	-	27,953
Travel	-	6,963	240	175	-	7,378
Energy and Emergency Assistance	47,252	1,195	168,663	-	-	217,110
Other Support Costs	3,763	18,936	25,954	13,891	-	62,544
Capital Outlay	-	80,124	-	-	-	80,124
Total Health and Welfare Expenditures	<u>51,015</u>	<u>497,562</u>	<u>322,025</u>	<u>101,976</u>	<u>-</u>	<u>972,578</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(34,876)</u>	<u>(115,798)</u>	<u>(69,450)</u>	<u>1,120</u>	<u>-</u>	<u>(219,004)</u>
Fund Balances - Beginning	5,217	210,186	(10,870)	(1,386)	697	203,844
Prior Period Adjustment	<u>31,195</u>	<u>20,693</u>	<u>(77,471)</u>	<u>23,107</u>	<u>(697)</u>	<u>(3,173)</u>
Fund Balances - Beginning (Restated)	<u>36,412</u>	<u>230,879</u>	<u>(88,341)</u>	<u>21,721</u>	<u>-</u>	<u>200,671</u>
Fund Balances - Ending	<u>\$ 1,536</u>	<u>\$ 115,081</u>	<u>\$ (157,791)</u>	<u>\$ 22,841</u>	<u>\$ -</u>	<u>\$ (18,333)</u>

See accompanying notes to basic financial statements.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Net Change in Fund Balances - Total Governmental Funds	\$ (219,004)
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The change in net position reported for governmental activities in the Statement of Activities is different because:

Government funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital Outlay	80,124
Depreciation expense	<u>(38,173)</u>
	41,951

The changes in other long-term assets and liabilities are reported in the statement of activities, but do not affect current financial resources of governmental funds. The changes are as follows:

Net other postemployment benefit liability	(40,752)
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds

Change in compensated absences	<u>(2,351)</u>
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Change in Net Position in Governmental Activities	<u><u>\$ (220,156)</u></u>
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HUMANITARIAN ENTERPRISES OF LINCOLN PARISH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Humanitarian Enterprises of Lincoln Parish (the Center), a component unit and integral part of the Lincoln Parish Police Jury, was organized to promote and develop economic opportunities for the people of Lincoln Parish. The Center is operated exclusively for charitable and educational purposes. The accompanying financial statements are intended to present the financial position and results of operations of only the transactions of the Humanitarian Enterprises of Lincoln Parish.

The Center complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note.

Basis of Presentation

In June, 1999, the GASB unanimously approved statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the presentation of its funds financial information include, for the first time a Management Discussion and Analysis (MD&A) section providing an analysis of the H.E.L.P. Center's overall financial position and results of operations and financial statements prepared using full accrual accounting for all fund activities. These and other changes are reflected in the accompanying financial statements including the notes to the financial statements.

Reporting Entity

As the governing authority of the parish, for reporting purposes, the Lincoln Parish Police Jury is the financial reporting entity for Lincoln Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Lincoln Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
 2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
 3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.
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HUMANITARIAN ENTERPRISES OF LINCOLN PARISH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Because the police jury appoints a voting majority of its governing body, the Center was determined to be a component unit of the Lincoln Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Center and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements – The governmental-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements – The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, the Center considers revenues to be available if they are collected within 60 days of the end of the current fiscal year end.

Principal revenue sources considered susceptible to accrual include federal grants, interest on investments, sales and income taxes, and lease payments receivable. Some revenue items that are considered measurable and available to finance operations during the year from an accounting perspective are not available for expenditure due to the Center's present appropriation system. These revenues have been accrued in accordance with accounting principles generally accepted in the United States of America since they have been earned and are expected to be collected within sixty days of the end of the period. Other revenues are considered to be measurable and available only when cash is received by the Center. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Modifications to the accrual basis of accounting include:

- Employees' vested annual leave is recorded as an expenditure when utilized. The amount of accumulated annual leave unpaid at December 31, 2023 has been reported only in the government-wide financial statements.
- Interest on general long-term obligations is recognized when paid.
- Debt service expenditures are recorded only when payment is due.

Fund Accounting

The financial activities of the Center are recorded in individual funds, each of which is deemed to be a separate accounting entity. The Center uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental Funds

General Fund – This fund accounts for all activities of the Center not specifically required to be accounted for in other funds. Included are transactions for services such as general government, health services, public safety, regulatory services and social services.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Transportation – This fund is derived from the following resources: Section 5311 of the Rural Public Transportation Act, Title XIX from the Louisiana State Medicaid Program for Transportation, Margaret Roan Industries, Office of Family Securities for Project Independence and Transportation Fares. Section 5311 funds, once reimbursed from the state, can be used for any expense of the Center. These funds represent a fifty percent reimbursement of the deficit cost of operation to provide Rural Public Transportation. Title XIX funds are used solely for transportation purposes.

Emergency Food and Shelter – A program to provide assistance on an emergency basis for persons being threatened by eviction or other hardship. Clients must present proof of income and proof of eviction or other difficulty i.e. late payment notice. They must also present proof of an emergency or crisis situation that prevents their paying the amount.

Low Income Home Energy Assistance Program - Energy Fund – These funds are dedicated for the use of Home Energy Assistance only. Ninety-five percent of all funds received are to be used to provide service (energy benefits) for eligible residents of Lincoln Parish. Funds may only be expended for line items approved by the funding resource.

Community Service Block Grant Fund – This fund is provided through the Louisiana Workforce Commission for the administrative cost of the Center. Levels of funding fluctuate from year to year depending upon CSBG appropriations by the United States Congress. This fund will provide for administrative cost such as salaries, fringe benefits, audit cost, travel, etc. This fund requires prior approval of expenditures by the funding source.

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. Actual results could differ from those estimates.

Budgeting Procedures

The Humanitarian Enterprises of Lincoln Parish prepares annual budgets for the general and special revenue funds. The budgets are prepared on a modified accrual basis of accounting. Budgeted amounts in the accompanying financial statements include original adopted budget amounts and all subsequent amendments. Appropriations which are not expended lapse at year end. The executive director of the H.E.L.P. Center and the secretary-treasurer of the Police Jury are authorized to transfer budget amounts within a function by object classification; however, any revisions that alter the total expenditures of any function must be approved by the executive director of the H.E.L.P. Center or the Lincoln Parish Police Jury. The level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis.

Cash

Cash includes demand deposits and money market accounts. Under state law, the Humanitarian Enterprises of Lincoln Parish may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union or the laws of the United States. Further, the Humanitarian Enterprises of Lincoln Parish may invest in the time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Capital Assets

Fixed assets of the Center are stated at cost and are reported in the government-wide financial statements. Depreciation of all exhaustible fixed assets are charged as an expense against operations. Depreciation is computed using the straight-line method over the estimated useful lives of 5 years.

Compensated Absences

Employees accrue from 5 to 15 days of annual and sick leave each year depending on years of service with the H.E.L.P. Center. Annual leave must be used in the year it is earned. Sick leave up to a maximum of 15 days may be carried forward to the next year for major illnesses only. Upon separation, all unused sick leave lapses.

Due to the restrictions on use of accrued sick leave, a provision of \$12,051 has been made for the compensated absences and vacation in these financial statements.

Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. In the process of aggregating data for the statements of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified.

Funding Policies

The Center receives their monies through various methods of funding. Most of the funds are obtained on a grant basis. Under this method, funds are received on an allocation basis in advance of the actual expenditure. The Center also receives funds as a reimbursement of actual expenditures.

Fund Equity

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

Restricted Fund Balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the police jurors – the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the police jurors remove the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Assigned Fund Balance – This classification reflects the amounts constrained by the Police Jury’s “intent” to be used for specific purposes, but are neither restricted nor committed. The police jurors and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned Fund Balance – This fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Policy Jury’s policy to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

NOTE 2 – CASH AND CASH EQUIVALENTS

Custodial Credit Risk for Deposits – The custodial credit risk is the risk that in the event of a bank failure, the Center’s deposits may not be returned to it. The Center’s policy to ensure there is no exposure to this risk is to require each financial institution to pledge its’ own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Center that the fiscal agent bank has failed to pay deposited funds upon demand. Accordingly, the Center had no custodial credit risk related to its deposits at December 31, 2023. The Center had cash and cash equivalents in demand deposits, totaling \$603,489 at December 31, 2023. These deposits are stated at cost, which approximates market. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances other than these backed by the U.S. government) at December 31, 2023, are secured, as follows:

Bank Balances	\$ <u>603,489</u>
FDIC Insurance	-
Pledged Securities (uncollateralized)	<u>603,489</u>
Total	\$ <u>603,489</u>

NOTE 3 – DUE FROM OTHER GOVERNMENTAL UNITS

The uncollected balance of grants due to the individual agencies is shown as due from other governmental units.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 4 – PROPERTY AND EQUIPMENT

Capital asset activity for the year ended December 31, 2023 is as follows:

	December 31, 2022 Balance	Additions	Disposals	December 31, 2023 Balance
Depreciable Assets:				
Vehicles	\$ 362,920	\$ 80,124	\$ -	\$ 443,044
Furniture & Fixtures	46,938	-	(8,456)	38,482
Machinery & Equipment	49,353	-	(21,162)	28,191
Totals at Historical Cost	<u>459,211</u>	<u>80,124</u>	<u>(29,618)</u>	<u>509,717</u>
Less Accumulated Depreciation for:				
Vehicles	(202,742)	(38,173)	-	(240,915)
Furnitures & Fixtures	(42,047)	-	7,593	(34,454)
Machinery & Equipment	(46,512)	-	21,162	(25,350)
Total Accumulated Depreciation	<u>(291,301)</u>	<u>(38,173)</u>	<u>28,755</u>	<u>(300,719)</u>
Capital Assets, net	<u>\$ 167,910</u>	<u>\$ 41,951</u>	<u>\$ (863)</u>	<u>\$ 208,998</u>

Depreciation was charged to the Health and Welfare function of the Center for \$38,173.

NOTE 5 – ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2023 were \$195,789 and consisted of grant reimbursements. Based on prior experience, the uncollectible receivables are considered immaterial, thus no provision has been made for such loss in these financial statements.

NOTE 6 – DUE FROM/TO OTHER FUNDS

The due from/to other funds at December 31, 2023, are as follows:

Fund	Due To Other Funds	Due From Other Funds
Major Funds:		
General Fund	\$ 56,275	\$ 33,514
Special Revenue Funds:		
Transportation	364	33,945
CSBG Fund	99,470	99,518
LIHEAP Energy	<u>40,019</u>	<u>29,151</u>
Totals	<u>\$ 196,128</u>	<u>\$ 196,128</u>

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 7 – PENSION PLAN

The Parochial Employees' Retirement System, a Public Employee Retirement System, is a cost sharing multiple-employer plan that is governed by the Louisiana Revised Statutes, Title II, Sections 1901 through 2015, specifically, and other general laws of the State of Louisiana.

Under the Parochial Retirement System, a member is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, or 25 years of creditable service and is at least 55 years old, or 10 years of creditable service and is at least 60 years old. The monthly retirement benefit is equal to three percent of the member's coverage monthly compensation for any 36 months of consecutive service in which compensation was highest, multiplied by years of creditable service, not to exceed 100% of member's final compensation. Retirement benefits are payable monthly for the life of the retiree, and upon the retiree's death under certain conditions are payable to the retiree's surviving spouse and minor children.

The Center's net pension liability is reported with the Lincoln Parish Police Jury, primary government financial statements.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Parochial Employees' Retirement System, P.O. Box 14619, Baton Rouge, Louisiana 70898.

NOTE 8 – OTHER POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

General Information about the OPEB Plan

Plan description – The Humanitarian Enterprises of Lincoln Parish (HELP) provides certain continuing health care and life insurance benefits for its retired employees. The Humanitarian Enterprises of Lincoln Parish's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by HELP. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with HELP. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB).

Benefits Provided – Benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees are covered by Plan A of the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2007 retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service.

Life insurance coverage is provided to retirees and 100% of the rate is paid by the employer. 50% of the insurance coverage while active is continued after retirement.

Employees covered by benefit terms – As of the measurement date December 31, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	4
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>6</u>
	<u>10</u>

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Total OPEB Liability

HELP's total OPEB liability is \$368,738 as of the measurement date December 31, 2023, the end of the fiscal year.

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0%
Salary increases	3.0%, including inflation
Discount rate	3.72% annually (Beginning of Year to Determine ADC)
	3.26%, annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Getzen model, with an initial trend of 5.5%
Mortality	Pub-2010/2021

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2023, the end of the applicable measurement period.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2023.

Changes in the Total OPEB Liability

Balance at December 31, 2022	\$ 319,326
Changes for the year:	
Service cost	16,796
Interest	12,191
Differences between expected and actual experience	19,432
Changes in assumptions	19,575
Benefit payments and net transfers	(18,582)
Net changes	49,412
Balance at December 31, 2023	\$ 368,738

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Center, as well as what the Center's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26%) or 1-percentage-point higher (4.26%) than the current discount rate:

	1.0% Decrease (2.26%)	Current Discount Rate (3.26%)	1.0% Increase (4.26%)
Total OPEB liability	\$ 421,506	\$ 368,738	\$ 325,388

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Center, as well as what the Center's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 326,065	\$ 368,738	\$ 420,240

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2023, HELP recognized OPEB expense of \$59,335. At December 31, 2023, HELP reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 120,153	\$ (135,367)
Changes in assumptions	109,364	(33,033)
Total	\$ 229,517	\$ (168,400)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending December 31:	
2024	30,348
2025	30,348
2026	30,348
2027	(4,427)
2028	(4,427)
Thereafter	(21,072)

NOTE 9 – FEDERALLY ASSISTED PROGRAMS

The Center receives significant financial assistance from numerous federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements.

NOTE 10 – DEFERRED COMPENSATION PLAN

Employees of the Humanitarian Enterprises of Lincoln Parish may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments). The deferred compensation plan is available to all employees of the Humanitarian Enterprises of Lincoln Parish. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. In accordance with the provisions of GASB Statement

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

No. 32 and 34, plan balances and activities are not reflected in the financial statements of the Humanitarian Enterprises of Lincoln Parish.

NOTE 11 – LITIGATION AND CLAIMS

According to the Parish District Attorney, the Humanitarian Enterprises of Lincoln Parish had no pending or threatened litigation as of December 31, 2023.

NOTE 12 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget/Actual Variances

When comparing budget to actual revenue and expenditure amounts for the year ended December 31, 2023, the following governmental funds had unfavorable variances greater than 5%:

	Budgeted Amounts	Actual Amounts	Variances (Unfavorable)
Transportation Fund			
Revenues:			
Grant receipts	\$ 450,000	\$ 376,777	\$ (73,223)
Health and Welfare Expenditures			
Salaries and Benefits	208,500	278,064	(69,564)
Other Support Costs	11,400	18,936	(7,536)
Capital Outlay	33,500	80,124	(46,624)
Community Services Block Grant (CSBG)			
Revenues:			
Grant receipts	\$ 300,000	\$ 252,575	\$ (47,425)
Health and Welfare Expenditures			
Salaries and Benefits	87,500	120,978	(33,478)
Energy and Emergency Assistance	75,000	168,663	(93,663)
LIHEAP			
Health and Welfare Expenditures			
Salaries and Benefits	66,050	79,370	(13,320)
Other Support Costs	7,500	13,891	(6,391)

NOTE 13 – DEFICIT FUND BALANCE/NET POSITION

The Community Service Block Grant had a deficit fund balance at December 31, 2023, of \$157,791. The deficit was caused mainly by prior period adjustments that were related to payroll allocations across all funds that were periodically changed throughout the year. This deficit will be eliminated by increasing revenues and/or reducing expenditures as well as transfers from other funds.

At December 31, 2023, an unrestricted net position deficit of \$129,007 exists for the Humanitarian Enterprises of Lincoln Parish, resulting from the Community Service Block Grant deficit fund balance and the net OPEB liability that was accounted for according to GASB Statement 75. Please refer to Note 8 for a detailed explanation of the OPEB plan.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 14 – PRIOR PERIOD ADJUSTMENT

The Center's fund financial statements include a prior period adjustment decreasing the fund balance by \$3,173 for corrections to prior year amounts related due to, due from, and accounts receivable accounts.

The Center's government-wide financial statements also reflect a prior period adjustment decreasing net position by \$6,534 for dispositions of capital assets and associated accumulated depreciation that was not recorded in a previous year.

NOTE 15 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 7, 2025, which is the date the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

REQUIRED SUPPLEMENTAL INFORMATION

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Favorable (Unfavorable)
Revenues:				
Intergovernmental revenues:				
Grant receipts	\$ -	\$ -	\$ 14,645	\$ 14,645
Interest Income	-	-	1,494	1,494
Total Revenues	-	-	16,139	16,139
Health and Welfare Expenditures				
Energy and Emergency Assistance	-	-	47,252	(47,252)
Other Support Costs	-	-	3,763	(3,763)
Capital Outlay	-	-	-	-
Total Health and Welfare Expenditures	-	-	51,015	(51,015)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(34,876)	(34,876)
Net Change in Fund Balances	-	-	(34,876)	(34,876)
Fund Balances - Beginning	5,217	5,217	5,217	-
Prior Period Adjustment	-	-	31,195	31,195
Fund Balances - Beginning (Restated)	5,217	5,217	36,412	31,195
Fund Balances - Ending	<u>\$ 5,217</u>	<u>\$ 5,217</u>	<u>\$ 1,536</u>	<u>\$ (3,681)</u>

See accompanying notes to budgetary comparison schedules and independent auditor's report.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
BUDGETARY COMPARISON SCHEDULE – TRANSPORTATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Favorable (Unfavorable)
Revenues:				
Intergovernmental revenues:				
Grant receipts	\$ 453,982	\$ 450,000	\$ 376,777	\$ (73,223)
Transportation fares	18,000	350	583	233
Interest Income	27	150	4,354	4,204
Miscellaneous	-	-	50	50
Total Revenues	<u>472,009</u>	<u>450,500</u>	<u>381,764</u>	<u>(68,736)</u>
Health and Welfare Expenditures				
Salaries and Benefits	170,999	208,500	278,064	(69,564)
Vehicle Maintenance and Insurance	36,025	109,000	98,910	10,090
Operating Services and Supplies	12,069	19,500	13,370	6,130
Travel	2,500	7,000	6,963	37
Energy and Emergency Assistance	-	-	1,195	(1,195)
Other Support Costs	-	11,400	18,936	(7,536)
Capital Outlay	7,490	33,500	80,124	(46,624)
Total Health and Welfare Expenditures	<u>229,083</u>	<u>388,900</u>	<u>497,562</u>	<u>(108,662)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>242,926</u>	<u>61,600</u>	<u>(115,798)</u>	<u>(177,398)</u>
Net Change in Fund Balances	242,926	61,600	(115,798)	(177,398)
Fund Balances - Beginning	210,186	210,186	210,186	-
Prior Period Adjustment	-	-	20,693	20,693
Fund Balances - Beginning (Restated)	<u>210,186</u>	<u>210,186</u>	<u>230,879</u>	<u>20,693</u>
Fund Balances - Ending	<u>\$ 453,112</u>	<u>\$ 271,786</u>	<u>\$ 115,081</u>	<u>\$ (156,705)</u>

See accompanying notes to budgetary comparison schedules and independent auditor's report.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
BUDGETARY COMPARISON SCHEDULE – COMMUNITY SERVICES BLOCK GRANT (CSBG)
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Favorable (Unfavorable)
Revenues:				
Intergovernmental revenues:				
Grant receipts	\$ 245,715	\$ 300,000	\$ 252,575	\$ (47,425)
Total Revenues	245,715	300,000	252,575	(47,425)
Health and Welfare Expenditures				
Salaries and Benefits	191,364	87,500	120,978	(33,478)
Vehicle Maintenance and Insurance	-	-	75	(75)
Operating Services and Supplies	-	6,000	6,115	(115)
Travel	1,212	500	240	260
Energy and Emergency Assistance	42,000	75,000	168,663	(93,663)
Other Support Costs	27,500	32,000	25,954	6,046
Capital Outlay	-	-	-	-
Total Health and Welfare Expenditures	262,076	201,000	322,025	(121,025)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,361)	99,000	(69,450)	(168,450)
Net Change in Fund Balances	(16,361)	99,000	(69,450)	(168,450)
Fund Balances - Beginning	(10,870)	(10,870)	(10,870)	-
Prior Period Adjustment	-	-	(77,471)	(77,471)
Fund Balances - Beginning (Restated)	(10,870)	(10,870)	(88,341)	(77,471)
Fund Balances - Ending	\$ (27,231)	\$ 88,130	\$ (157,791)	\$ (245,921)

See accompanying notes to budgetary comparison schedules and independent auditor's report.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH

BUDGETARY COMPARISON SCHEDULE – LIHEAP

FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Favorable (Unfavorable)
Revenues:				
Intergovernmental revenues:				
Grant receipts	\$ 88,356	\$ 88,000	\$ 97,287	\$ 9,287
Interest Income	25	100	4,931	4,831
Miscellaneous	-	-	878	878
Total Revenues	<u>88,381</u>	<u>88,100</u>	<u>103,096</u>	<u>14,996</u>
Health and Welfare Expenditures				
Salaries and Benefits	83,172	66,050	79,370	(13,320)
Vehicle Maintenance and Insurance	-	-	72	(72)
Operating Services and Supplies	8,450	8,800	8,468	332
Travel	-	500	175	325
Other Support Costs	-	7,500	13,891	(6,391)
Capital Outlay	-	-	-	-
Total Health and Welfare Expenditures	<u>91,622</u>	<u>82,850</u>	<u>101,976</u>	<u>(19,126)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,241)</u>	<u>5,250</u>	<u>1,120</u>	<u>(4,130)</u>
Net Change in Fund Balances	(3,241)	5,250	1,120	(4,130)
Fund Balances - Beginning	(1,386)	(1,386)	(1,386)	-
Prior Period Adjustment	-	-	23,107	23,107
Fund Balances - Beginning (Restated)	<u>(1,386)</u>	<u>(1,386)</u>	<u>21,721</u>	<u>23,107</u>
Fund Balances - Ending	<u>\$ (4,627)</u>	<u>\$ 3,864</u>	<u>\$ 22,841</u>	<u>\$ 18,977</u>

See accompanying notes to budgetary comparison schedules and independent auditor's report.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
NOTES TO THE BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2023

The Humanitarian Enterprises of Lincoln Parish prepares annual budgets for the general and special revenue funds. The budgets are prepared on a modified accrual basis of accounting. Budgeted amounts in the accompanying financial statements include original adopted budget amounts and all subsequent amendments. Appropriations which are not expended lapse at year end. The executive director of the H.E.L.P. Center and the secretary-treasurer of the Police Jury are authorized to transfer budget amounts within a function by object classification; however, any revisions that alter the total expenditures of any function must be approved by the executive director of the H.E.L.P. Center or the Lincoln Parish Police Jury. The level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis.

State law requires the Center to amend its budgets when revenues plus projected revenues within a fund are expected to fall short from budgeted revenues by five percent or more and when expenditures and other uses of a fund are expected to exceed budgeted amounts by five percent or more.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Fiscal year ended 12/31 of					
	2018	2019	2020	2021	2022	2023
OPEB Expenses						
Service cost	\$ 4,365	\$ 3,734	\$ 10,395	\$ 684	\$ 713	\$ 16,796
Interest	10,093	10,764	8,541	4,555	4,268	12,191
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(6,049)	6,075	(198,926)	5,404	164,353	19,432
Changes of assumptions	(20,881)	44,375	106,935	1,657	(39,236)	19,575
Benefit payments	(18,085)	(19,080)	(18,948)	(19,990)	(17,613)	(18,582)
Net change in total OPEB liability	(30,557)	45,868	(92,003)	(7,690)	112,485	49,412
Total OPEB liability - beginning	291,223	260,666	306,534	214,531	206,841	319,326
Total OPEB liability - ending	<u>\$ 260,666</u>	<u>\$ 306,534</u>	<u>\$ 214,531</u>	<u>\$ 206,841</u>	<u>\$ 319,326</u>	<u>\$ 368,738</u>
Covered-employee payroll	\$ 237,349	\$ 244,469	\$ 261,320	\$ 269,160	\$ 217,256	\$ 223,774
Net OPEB liability as a percentage of covered-employee payroll	109.82%	125.39%	82.10%	76.85%	146.98%	164.78%
Notes to Schedule:						
Benefit Change:	None	None	None	None	None	None
Changes of Assumptions:						
Discount Rate:	4.10%	2.74%	2.12%	2.06%	3.72%	3.26%
Mortality:	RP-2000	RP-2000	RP-2014	RP-2014	Pub-2010/2021	Pub-2010/2021
Trend:	5.5%	5.5%	4.5% to 5.5%	4.5% to 5.5%	Getzen Model	Getzen Model

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to required supplementary information and independent auditor's report.

OTHER SUPPLEMENTAL INFORMATION

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2023

	Ronnie Dowling Director
<i>Purpose:</i>	
Salary	\$ 56,904
Benefits - Insurance	11,715
Benefits - Retirement	379
Total	<u>\$ 68,998</u>

See accompanying independent auditor's report.

OTHER REPORTS



REGIONS TOWER
333 TEXAS STREET, SUITE 1525 | SHREVEPORT, LOUISIANA 71101
318.429.1525 (P) | 318.429.2124 (F)

The Board of Commissioners
Humanitarian Enterprises of Lincoln Parish
Ruston, Louisiana

**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**

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 the Humanitarian Enterprises of Lincoln Parish as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements and have issued our report thereon dated January 7, 2025.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center'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 the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control.

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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those in charge with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2023-01, 2023-02, 2023-03, and 2023-04, to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free from material misstatement, we performed test 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 financial statements. 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*.

The Center's Response to Findings

The Center's response to the findings identified in our audit is described in Management's Corrective Action Plan for Current Year Findings. The Center's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Center'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 Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. In accordance with Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

HEARD, McELROY & VESTAL, L.L.C.

Shreveport, Louisiana
January 7, 2025

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023

A. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the Humanitarian Enterprises of Lincoln Parish.
2. Four significant deficiencies relating to the audit of the basic financial statements are reported, all of which are considered to be material weaknesses.
3. There were two instances of noncompliance relating to the basic financial statements of the Humanitarian Enterprises of Lincoln Parish disclosed during the audit (2023-01 and 2023-02).
4. No federal single audit was required under the Uniform Guidance relating to the financial statements of the Humanitarian Enterprises of Lincoln Parish.

B. Findings — Financial Statement Audit

2023-01: Late Submission of Audit Report to the Legislative Auditor

CONDITION: The audit report was submitted after the statutory due date.

CRITERIA: Louisiana Revised Statute 24:513 requires that all local auditees submit their audited financial statements to the Louisiana Legislative Auditor (LLA) no later than six months after their fiscal year end.

CAUSE: Delays in all requested information being provided, and entries prepared during fieldwork caused a delay in the submission of the audit report.

EFFECT: Delayed submission of the audit report can result in the entity being placed on the Legislative Auditor's noncompliance list. This status could prevent the entity from receiving state funds until removed from the list and hampers management's ability to address internal control deficiencies and noncompliance issues identified by the audit.

RECOMMENDATION: The Humanitarian Enterprises of Lincoln Parish should implement policies and procedures to ensure timely filing of all required reports.

MANAGEMENT'S RESPONSE: See management's corrective action plan.

2023-02: Non-Compliance with Budget Act

CONDITION: The Center did not comply with the provisions of the Louisiana Local Government Budget Act (LSA-RS 39:1301 *et seq.*) in the adoption of the annual operating budget for the general fund.

CRITERIA: LSA-RS 39:1301 *et seq.* requires the preparation of a comprehensive budget presenting a complete financial plan for each fiscal year for the general fund and each special revenue fund.

CAUSE: The Center failed to take the necessary action to adopt and implement the proposed budget prior to the end of the prior fiscal year.

EFFECT: Non-compliance with LSA-RS 39:1301 *et seq.* exposes the Center to potential legal and financial ramifications, undermines fiscal accountability, and may lead to mismanagement of funds.

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FOR THE YEAR ENDED DECEMBER 31, 2023

RECOMMENDATION: It is recommended that the Center fully comply with the provisions of LSA-RS 39:1301 *et seq.* by taking all action necessary to adopt and otherwise finalize and implement the budget for a fiscal year before the end of the prior fiscal year.

MANAGEMENT'S RESPONSE: See management's corrective action plan.

2023-03: Unreconciled Due To/Due From Balances

CONDITION: During the audit, it was identified that Due To/Due From balances with other governments and between internal funds had not been reconciled within the audit period. This included the interfund reconciliation of payroll to all funds. The lack of reconciliation caused payroll batches to be unrecorded in the unadjusted ledger. The lack of reconciliation also caused prior period adjustments in multiple funds. Management addressed this by reconciling the Due To and Due From balances during fieldwork and adjustments were made to correct the balances and record the payroll batches. Anticipated cash transfers are expected to be completed before the current fiscal year ends.

CRITERIA: According to auditing standards and best practices, Due To/Due From balances should be reconciled regularly to ensure accuracy and completeness of financial records.

CAUSE: The lack of reconciliation of Due To/Due From balances may be attributed to inadequate reconciliation processes, insufficient oversight, or delays in receiving necessary information from other governments.

EFFECT: The lack of reconciliation of Due To/Due From balances within the audit period could lead to inaccurate balances of intergovernmental transactions reported in the financial statements. This situation may indicate potential weaknesses in internal controls over financial reporting and intergovernmental accounting.

RECOMMENDATION: We recommend that management enhance its reconciliation procedures for Due To/Due From balances with other governments. This should include implementing regular reconciliation schedules, establishing clear communication channels with relevant parties, and enhancing oversight to ensure timely and accurate reconciliation.

MANAGEMENT'S RESPONSE: See management's corrective action plan.

2023-04: Adjustments to Capital Assets and Beginning Net Position

CONDITION: During the audit, it was identified that adjustments were necessary to correct the balances of capital assets, including related accumulated depreciation, and to adjust the beginning net position reported in the financial statements of the prior period.

CRITERIA: According to accounting standards and best practices, financial statements must accurately reflect the balances of capital assets and beginning net position.

CAUSE: The omission of capital asset additions, disposals, and related depreciation from the financial statements may have been due to inadequate internal controls over financial reporting, lack of reconciliation processes, or insufficient oversight of accounting practices.

EFFECT: The failure to accurately report capital asset additions, disposals, and related depreciation affects the completeness and accuracy of the financial statements. This can lead to

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023

misrepresentation of asset valuation, impacting management's ability to make informed decisions and provide the Board with reliable information.

RECOMMENDATION: We recommend that the Humanitarian Enterprises of Lincoln Parish strengthen its internal controls and procedures over financial reporting to ensure all disposals of capital assets and related depreciation are properly identified, recorded, and reported in accordance with accounting standards and the Humanitarian Enterprises of Lincoln Parish's reporting requirements. This includes implementing reconciliation processes and enhancing oversight of accounting practices and financial reporting.

MANAGEMENT'S RESPONSE: See management's corrective action plan.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023

No findings were reported in the prior year.

MANAGEMENT'S CORRECTIVE ACTION PLAN

January 7, 2025

Heard, McElroy and Vestal, LLC
333 Texas Street, Suite 1525
Shreveport, LA 71101

We are writing in response to the findings expressed in your audit of the Humanitarian Enterprises of Lincoln Parish for the year ended December 31, 2023. Please find our response and corrective actions listed below.

Findings — Financial Statement Audit

2023-01: Late Submission of Audit Report to the Legislative Auditor

CONDITION: The audit report was submitted after the statutory due date.

MANAGEMENT'S RESPONSE: We have been working on major improvements to our software and re-allocating job duties across a smaller staff in late 2023 and early 2024. These changes were necessary due to employee turnover. We feel that we will be able to resume our normal schedule of audit submission going forward.

2023-02: Non-Compliance with Budget Act

CONDITION: The Center did not comply with the provisions of the Louisiana Local Government Budget Act (LSA-RS 39:1301 et seq.) in the adoption of the annual operating budget for the general fund.

MANAGEMENT'S RESPONSE: The Center will adhere to the provisions of LSA-RS 39:1301 *et seq.* by taking all action necessary to adopt and otherwise finalize and implement the budget for a fiscal year before the end of the prior fiscal year for the general fund and each special revenue fund.

2023-03: Unreconciled Due To/Due From Balances

CONDITION: During the audit, it was identified that Due To/Due From balances with other governments and between internal funds had not been reconciled within the audit period. This included the interfund reconciliation of payroll to all funds. The lack of reconciliation caused payroll batches to be unrecorded in the unadjusted ledger. The lack of reconciliation also caused prior period adjustments in multiple funds. Management addressed this by reconciling the Due To and Due From balances during fieldwork and adjustments were made to correct the balances and record the payroll batches. Anticipated cash transfers are expected to be completed before the current fiscal year ends.

MANAGEMENT'S RESPONSE: Management understands the need to reconcile interfund balances periodically to maintain the integrity of financial reporting. Our practice has been to reconcile interfund transfers at year end as part of the normal year end close process. We will add additional

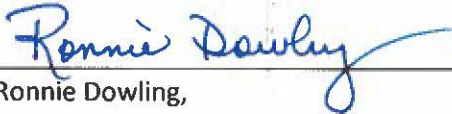
steps to our process to more frequently reconcile these balances to strengthen our controls over financial reporting. We will reconcile the payroll transactions with the general ledger monthly.

2023-04: Adjustments to Capital Assets and Beginning Net Position

CONDITION: During the audit, it was identified that adjustments were necessary to correct the balances of capital assets, including related accumulated depreciation, and to adjust the beginning net position reported in the financial statements of the prior period.

MANAGEMENT'S RESPONSE: Management agrees with this finding and we understand the related accounting standards that cover capital assets. We have been working toward a permanent solution to our software used to capture capital asset activity. The software we use is no longer supported, and we will identify a reporting program that better fits the volume of capital assets we maintain.

Humanitarian Enterprises of Lincoln Parish

A handwritten signature in blue ink, reading "Ronnie Dowling", is written over a horizontal line.

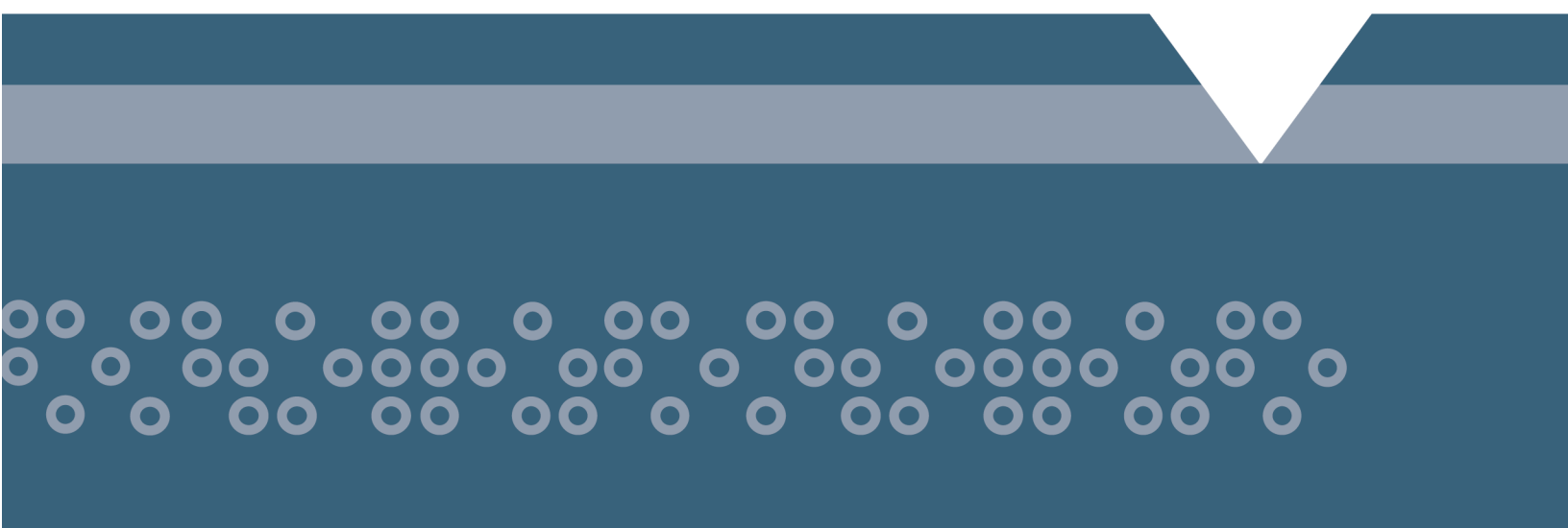
Ronnie Dowling,
Director

A handwritten signature in blue ink, reading "Courtney Hall", is written over a horizontal line.

Courtney Hall
Administrator

Humanitarian Enterprises of Lincoln Parish

Agreed-Upon Procedures Report
For the Year Ended December 31, 2023





REGIONS TOWER
333 TEXAS STREET, SUITE 1525 | SHREVEPORT, LOUISIANA 71101
318.429.1525 (P) | 318.429.2124 (F)

January 7, 2025

The Board of Commissioners
for the Humanitarian Enterprises of Lincoln Parish
Ruston, Louisiana

Louisiana Legislative Auditor
Baton Rouge, Louisiana

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

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2023, through December 31, 2023. Humanitarian Enterprises of Lincoln Parish's ("The Entity") management is responsible for those C/C areas identified in the SAUPs.

The Entity has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2023, through December 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

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

collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Findings: *Exceptions noted. The Entity's established policies and procedures did not address the following matters: the process for adding vendors to the vendor list, the procedures for processing, reviewing, and approving disbursements, actions for determining the completeness of receipts/collections for different types of revenue or agency fund additions, the requirement for legal review in contracting processes, the absence of a system to monitor potential ethics violations and annual employee attestation to policy familiarity, the lack of a written disaster recovery/business continuity plan, and did not outline procedures for sexual harassment prevention relating to annual employee training and annual reporting.*

Management's Response: *Management agrees. Written policies and procedures will be revised to include all applicable elements.*

Board or Finance Committee

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

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds.
- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
- d) Observe whether the board or finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Findings: *Exception noted. There is no budget for general fund; therefore, board meetings did not include budget-to-actual comparisons for the general fund for each quarterly meeting.*

Management's Response: *Management agrees. Moving forward, the budget-to-actual comparisons will include general fund activity as it takes place.*

Bank Reconciliations

- 3. Obtain a listing of entity 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 each selected 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 or electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Findings: *Exceptions noted. Bank reconciliations were not dated upon preparation to ascertain their timeliness. Additionally, bank reconciliations lacked evidence of being reviewed by non-cash-handling management.*

Management's Response: *Management agrees. The proper steps have since been added to make sure reconciliations are documented the date each bank reconciliation is completed and reviewed.*

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - 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).
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.
 - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3 above, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g. sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy.

Findings: *Exceptions noted. The employee responsible for processing payments also mails the payments.*

Management's Response: *Management has other controls in place to effectively reduce the risk of fraud or errors in the payment process to the extent that it becomes inconsequential who mails the checks.*

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

12. 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.

13. 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, 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 (or electronically approved), 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.
14. 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). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Findings: No exceptions noted.

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

15. 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, observe that the approved reimbursement rate is no more than 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.

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

Findings: No exceptions were noted.

Contracts

16. 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 and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval).
 - 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: *No exceptions noted.*

Payroll and Personnel

17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Findings: *No exceptions noted.*

Ethics

21. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above: obtain ethics documentation from management, and:
 - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe that the entity maintains documentation which demonstrates each employee and official was notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Findings: *No exceptions noted.*

Debt Service

23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
24. 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 (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Findings: *This section does not apply to this entity.*

Fraud Notice

25. 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 as required by R.S. 24:523.
26. 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.*

27. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**
- a. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
 - b. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c. Obtain a listing of the entity’s computers currently in use, and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure 19. Observe evidence that the selected terminated employees have been removed or disabled from the network.
29. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency’s information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows: a) Hired before June 9, 2020 - completed the training; and b) Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Findings: We performed the procedure and discussed the results with management.

Prevention of Sexual Harassment

30. Using the 5 randomly selected employees/officials from procedure #17 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year, as required by R.S 42:343.
31. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).
32. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:
1. Number and percentage of public servants in the agency who have completed the training requirements;
 2. Number of sexual harassment complaints received by the agency;
 3. Number of complaints which resulted in a finding that sexual harassment occurred;

4. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
5. Amount of time it took to resolve each complaint.

Findings: *Exceptions noted. Sexual Harassment policy and complaint procedure not posted on website. No documentation of annual reporting requirement process.*

Management's Response: *Management agrees. They have not implemented the newer annual reporting requirement. While they did not have any claims to report, they will implement a "no claims" documentation process for future.*

We were engaged by the Entity to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, 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.

We are required to be independent of the Entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended 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.

HEARD, McELROY & VESTAL, L.L.C.