

**HUMANITARIAN ENTERPRISES OF LINCOLN PARISH**  
**RUSTON, LOUISIANA**

*Component Unit Financial Statements*  
*For the Year Ended December 31, 2019*

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH  
RUSTON, LOUISIANA  
COMPONENT UNIT FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

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## INDEPENDENT AUDITOR'S REPORT

To the Health and Welfare Committee Members  
Of the Humanitarian Enterprises of Lincoln Parish  
Ruston, Louisiana

### *Report on the Financial Statements*

I have audited the accompanying primary government financial statements of the governmental activities, each major fund and the aggregate remaining fund information 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, 2019, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

Humanitarian Enterprises of Lincoln Parish  
Ruston, Louisiana

*Opinions*

In my 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, 2019, 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.

*Other Matters*

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4-6, the Budgetary Comparison Information on pages 24-28, and the Schedule of Changes in Net OPEB Liability and Related Ratios on page 29 be presented to supplement the financial statements. Such information, although not a part of the 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.

I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Center's primary government financial statements. The introductory section, combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements; the schedule of compensation, reimbursements, benefits and other payments to agency head, political subdivision head, or chief executive officer; and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining and individual nonmajor fund financial statements; the schedule of compensation, reimbursements, benefits and other payments to agency head, political subdivision head, or chief executive officer; and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Humanitarian Enterprises of Lincoln Parish  
Ruston, Louisiana

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

In accordance with *Government Auditing Standards*, I have also issued my report dated August 5, 2020 on my consideration of the Center's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Humanitarian Enterprises of Lincoln Parish's internal control over financial reporting and compliance.

WILLIAM R. HULSEY, (APAC)  
Certified Public Accountant

  
August 5, 2020

**REQUIRED SUPPLEMENTAL INFORMATION (PART A)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**HUMANITARIAN ENTERPRISES OF LINCOLN PARISH  
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)**

Our discussion and analysis of the Humanitarian Enterprises of Lincoln Parish (H.E.L.P.) Center’s financial statements provides an overview of its activities for the year ended December 31, 2019. Please read it in conjunction with the H.E.L.P. Center’s financial statements.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the H.E.L.P. Center as a whole.

**Reporting the H.E.L.P. Center as a Whole**

**The Statement of Net Position and the Statement of Activities**

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector entities. All of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the H.E.L.P. Center’s net position and changes in them. The H.E.L.P. Center’s net position (the difference between assets and liabilities) measure the H.E.L.P. Center’s financial position. Increases or decreases in the H.E.L.P. Center’s net position are an indicator of whether its financial position is improving or not.

**The H.E.L.P. Center AS A WHOLE**

For the years ended December 31, 2019 and 2018, net position changed as follows:

	2019	2018
Beginning net position, restated	\$ (34,588)	\$ (142,465)
Increase (decrease) in net position	6,870	122,511
Ending net position	\$ ( 27,718)	\$ ( 19,954)

## The H.E.L.P. Center's FUNDS

The following schedule presents a summary of revenues and expenditures for the years ended December 31, 2019 and 2018:

Revenues	2019	Percent of Total	2018	Percent of Total
Grant receipts	\$ 517,656	96.12%	\$ 539,768	97.12%
Transportation fares	19,076	3.79%	14,345	2.58%
Miscellaneous	452	0.90%	1,647	0.30%
<b>Total Revenues</b>	<b>\$ 537,184</b>	<b>100.00%</b>	<b>\$ 555,760</b>	<b>100.00%</b>

Expenditures	2019	Percent of Total	2018	Percent of Total
Health and welfare	\$ 530,314	100.00%	\$ 487,305	100.00%

## BUDGETARY HIGHLIGHTS

The actual revenue for the Transportation Fund fell short of budgeted revenues by \$12,407 due to a decline in riders covered by medical transportation services. LIHEAP actual revenues fell short of budgeted revenues by \$22,042.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At December 31, 2019, the H.E.L.P. Center had \$379,118 invested in capital assets (\$163,769 net of accumulated depreciation) including machinery and equipment and vehicles.

Assets	December 31, 2018	Additions	Disposals	December 31, 2019
Vehicles	\$ 186,506	\$ 60,896	-	\$ 247,402
Furniture and Fixtures	50,620	-	-	50,620
Machinery & equipment	81,096	-	-	81,096
<b>Total at historical cost</b>	<b>\$ 318,222</b>	<b>60,896</b>	<b>-</b>	<b>\$ 379,118</b>
<b>Less: Accumulated Depreciation:</b>				
Vehicles	( 96,062)	(18,742)	-	(114,804)
Furniture and Fixtures	( 45,348)	-	-	( 45,348)
Machinery & equipment	( 55,197)	-	-	( 55,197)
<b>Capital assets, net</b>	<b>\$ 121,615</b>	<b>\$ 42,154</b>	<b>-</b>	<b>\$ 163,769</b>



## **Debt**

At year end, the H.E.L.P. Center had a total liability of \$3,040 for compensated absences.

## **OTHER POST-EMPLOYMENT BENEFITS**

In the year ended December 31, 2019, the H.E.L.P. Center has complied with requirements of Government Accounting Standards Board Statement Number 75, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions*. This statement requires that employers disclose the *Annual Required Contribution and Net Post-employment Benefit Obligation* as determined by actuarial computations.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The H.E.L.P. Center's revenues are derived mainly from a variety of grants and charges for fees. State budget cuts continue to be a tangible threat to the CSBG and LIHEAP programs. The Center is in talks to expand the Transportation program to include expanded services in the parish and should continue to recover from prior years' budget cuts. In light of the current state budget uncertainty, the Center must continue to monitor its limited resources to fit the needs of the citizens of Lincoln Parish and be aware of other funding opportunities that may present themselves.

## **CONTACTING THE H.E.L.P. CENTER'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the H.E.L.P. Center's finances and to show the H.E.L.P. Center's accountability for the funds received by it. If you have any questions about this report or need additional financial information, contact:

Christopher B. Hyde  
Parish Treasurer  
100 West Texas Avenue  
Post Office Box 979  
Ruston, LA 71273

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH  
RUSTON, LOUISIANA  
STATEMENT OF NET POSITION  
DECEMBER 31, 2019

	<u>Governmental Activities</u>
<i>Assets</i>	
Cash	\$ 48,535
Accounts Receivable	147,262
Due From Other Governments - LPPJ	1,092
Depreciable Assets	<u>163,769</u>
Total Assets	<u>360,658</u>
 <i>Liabilities</i>	
Accounts Payable	1,546
Due To Other Governments - LPPJ	77,256
Non-Current Liabilities	
Compensated Absenses	3,040
Postretirement Benefit Plan Payable	<u>306,534</u>
Total Liabilities	<u>388,376</u>
 <i>Net Position</i>	
Net Investment in Capital Assets	163,769
Unrestricted	<u>(191,487)</u>
Total Net Position	<u><u>\$ (27,718)</u></u>

The accompanying notes are an integral part of this financial statement.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH  
RUSTON, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Function/Program Activities					
Government Activities:					
Health and Welfare	<u>\$ 530,314</u>	<u>\$ 19,076</u>	<u>\$ 517,656</u>	<u>\$ -</u>	<u>\$ 6,418</u>
		General Revenues:			
			Interest Earned	<u>452</u>	
			Total General Revenues	<u>452</u>	
			Changes in Net Position	6,870	
			Net Position - Beginning, restated	<u>(34,588)</u>	
			Net Position - Ending	<u>\$ (27,718)</u>	

The accompanying notes are an integral part of this financial statement.

**FUND FINANCIAL STATEMENTS**

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH  
RUSTON, LOUISIANA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2019

	<u>General Fund</u>	<u>Transportation</u>	<u>Community Service Block Grant</u>	<u>LIHEAP</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>						
Cash	\$ 2,818	\$ 21,225	\$ 17,643	\$ 6,080	\$ 769	\$ 48,535
Accounts Receivable	-	42,198	68,949	36,115	-	147,262
Due From Other Governments - LPPJ	-	169	816	107	-	1,092
Due From Other Funds	2,505	2,080	25,024	29,175	-	58,784
<b>TOTAL ASSETS</b>	<b>\$ 5,323</b>	<b>\$ 65,672</b>	<b>\$ 112,432</b>	<b>\$ 71,477</b>	<b>\$ 769</b>	<b>\$ 255,673</b>
<b>Liabilities and Fund Equity</b>						
<b>Liabilities:</b>						
Accounts Payable	\$ -	\$ 610	\$ 616	\$ 298	\$ 22	\$ 1,546
Due To Other Governments - LPPJ	-	61,875	13,511	1,470	400	77,256
Due To Other Funds	-	7,181	31,335	20,268	-	58,784
<b>Total Liabilities</b>	<b>-</b>	<b>69,666</b>	<b>45,462</b>	<b>22,036</b>	<b>422</b>	<b>137,586</b>
<b>Fund Balances:</b>						
Restricted	-	(3,994)	66,970	49,441	-	112,417
Assigned	-	-	-	-	769	769
Unassigned	5,323	-	-	-	(422)	4,901
<b>Total Fund Balances</b>	<b>5,323</b>	<b>(3,994)</b>	<b>66,970</b>	<b>49,441</b>	<b>347</b>	<b>118,087</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 5,323</b>	<b>\$ 65,672</b>	<b>\$ 112,432</b>	<b>\$ 71,477</b>	<b>\$ 769</b>	<b>\$ 255,673</b>

The accompanying notes are an integral part of this financial statement.

HUMANITARIAN ENTERPRISES OF  
LINCOLN PARISH  
RUSTON, LOUISIANA  
RECONCILIATION OF TOTAL GOVERNMENTAL  
FUND BALANCES TO NET POSITION OF  
GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2019

Total Governmental Fund Balances	\$ 118,087
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*Amounts reported for governmental activities in the statement of net position are different because:*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	163,769
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Compensated absences are not due and payable in the current period and therefore are not reported in the funds.	(3,040)
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Unfunded postretirement benefit plan obligations are not financial expenditures and therefore are not reported in the funds.	<u>(306,534)</u>
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Net Position of Governmental Activities	<u><u>\$ (27,718)</u></u>
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The accompanying notes are an integral part of this financial statement.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH  
RUSTON, LOUISIANA  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>General Fund</u>	<u>Transportation</u>	<u>Community Service Block Grant</u>	<u>LIHEAP</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Intergovernmental revenues:						
Grant receipts	\$ -	\$ 180,704	\$ 268,258	\$ 68,694	\$ -	\$ 517,656
Transportation fares	-	19,076	-	-	-	19,076
Miscellaneous	6	26	420	-	-	452
Total revenues	<u>6</u>	<u>199,806</u>	<u>268,678</u>	<u>68,694</u>	<u>-</u>	<u>537,184</u>
Health and Welfare Expenditures						
Personnel and Fringe Benefits	-	140,943	178,921	53,058	-	372,922
Vehicle Maintenance and Insurance	-	24,137	-	-	-	24,137
Operating Services and Supplies	-	43,410	11,356	-	-	54,766
Travel	-	-	1,119	-	-	1,119
Energy and Emergency Assistance	-	-	-	-	-	-
Emergency Crisis and Rent Assistance	-	-	36,309	-	-	36,309
Other Support Costs	641	-	15,698	22,253	-	38,592
Purchase of Fixed Assets	-	-	-	-	-	-
Total Health and Welfare Expenditures	<u>641</u>	<u>208,490</u>	<u>243,403</u>	<u>75,311</u>	<u>-</u>	<u>527,845</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(635)</u>	<u>(8,684)</u>	<u>25,275</u>	<u>(6,617)</u>	<u>-</u>	<u>9,339</u>
Net Change in Fund Balance	(635)	(8,684)	25,275	(6,617)	-	9,339
Fund Balances, Beginning (Restated)	<u>5,958</u>	<u>4,690</u>	<u>41,695</u>	<u>56,058</u>	<u>347</u>	<u>108,748</u>
Fund Balances, Ending	<u>\$ 5,323</u>	<u>\$ (3,994)</u>	<u>\$ 66,970</u>	<u>\$ 49,441</u>	<u>\$ 347</u>	<u>\$ 118,087</u>



HUMANITARIAN ENTERPRISES OF LINCOLN PARISH  
RUSTON, LOUISIANA  
RECONCILIATION OF TOTAL GOVERNMENTAL  
FUND BALANCES TO NET POSITION OF  
GOVERNMENTAL ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019

Net Change in Fund Balances - Total Governmental Funds	\$ 9,339
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Government funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Fixed Asset Additions	60,896
Depreciation expense	<u>(18,742)</u>
	42,154
The change in compensated absences liability does not require the use of current financial resources but is recorded as an expense in the statement of activities.	1,245
Postretirement benefit plan expenditures	<u>(45,868)</u>
Change in Net Position in Governmental Activities	<u>\$ 6,870</u>

The accompanying notes are an integral part of this financial statement.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

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.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity – Continued

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.

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, 2019 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.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

*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 approximately 279 units of service (energy benefits) for eligible residents of Lincoln Parish. Funds may only be expended for line items approved by the funding resource. Assistance is limited to \$190 per family in a six-month period.

*Community Service Block Grant Fund* - This fund is provided through the Louisiana Department of Labor 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.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Fixed 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 \$3,040 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.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

*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.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 2 – CASH AND CASH EQUIVALENTS

*Custodial Credit Risk – 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, 2019. The Center had cash and cash equivalents in demand deposits, totaling \$48,535 at December 31, 2019. 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, 2019, are secured, as follows:

Bank Balances	<u>\$ 47,954</u>
FDIC Insurance	-
Pledged Securities (uncollateralized)	<u>50,000</u>
Total	<u>\$ 50,000</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.

NOTE 4 – PROPERTY AND EQUIPMENT

Capital asset activity for the year ended December 31, 2019 is as follows:

	December 31, 2018			December 31, 2019
	<u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u>
Depreciable Assets:				
Vehicles	\$ 186,506	\$ 60,896	-	\$ 247,402
Furniture and Fixtures	50,620	-	-	50,620
Machinery & Equipment	<u>81,096</u>	-	-	<u>81,096</u>
Totals at Historical Cost	<u>318,222</u>	<u>60,896</u>	-	<u>379,118</u>
Less Accumulated Depreciation for:				
Vehicles	( 96,062)	(18,742)	-	( 114,804)
Furniture and Fixtures	( 45,348)	-	-	( 45,348)
Machinery & Equipment	<u>( 55,197)</u>	-	-	<u>( 55,197)</u>
Total Accumulated Depreciation	<u>(196,607)</u>	<u>(18,742)</u>	-	<u>( 215,349)</u>
<b>CAPITAL ASSETS, NET</b>	<u>\$ 121,615</u>	<u>\$ 42,154</u>	<u>\$ -</u>	<u>\$ 163,769</u>

Depreciation was charged to the Health and Welfare function of the Center for \$18,742.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 5 – ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2019 were \$113,220 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, 2019, are as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Funds:		
General Fund	\$ 2,505	\$ -
CSBG Funds	25,024	31,335
Transportation	2,080	7,181
LIHEAP Energy	<u>29,175</u>	<u>20,268</u>
Totals	<u>\$ 58,784</u>	<u>\$ 58,784</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.

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 District's payroll is included in 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.



HUMANITARIAN ENTERPRISES OF LINCOLN PARISH  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

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) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

*Benefits Provided* – Medical and life insurance benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees retirement eligibility (D.R.O.P. entry) provisions are as follows: Employees are covered by 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 blended rate (active and retired) is paid by the employer. A \$5,000 or \$10,000 amount of insurance coverage while active is continued after retirement at 50% of the active level.

*Employees covered by benefit terms* – At December 31, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	8
	10

Total OPEB Liability

HELP’s total OPEB liability of \$306,534 was measured as of December 31, 2019 and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and other inputs* – The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.0%, including inflation
Discount rate	4.10% annually (Beginning of Year to Determine ADC)
	4.74%, annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Flat 5.5% annually

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH  
RUSTON, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 8 – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS - Continued

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2019, the end of the applicable measurement period.

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend. The actuarial assumptions used in the December 31, 2019 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2019.

Changes in the Total OPEB Liability

Balance at December 31, 2018	<u>\$</u>	260,666
Changes for the year:		
Service cost		3,734
Interest		10,764
Differences between expected and actual experience		6,075
Changes in assumptions		44,375
Benefit payments and net transfers		<u>(19,080)</u>
Net changes		<u>45,868</u>
Balance at December 31, 2019	<u>\$</u>	<u>306,534</u>

*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 (1.74%) or 1-percentage-point higher (3.74%) than the current discount rate:

	1.0% Decrease (1.74%)	Current Discount Rate (2.74%)	1.0% Increase (3.74%)
Total OPEB liability	<u>\$ 347,531</u>	<u>\$ 306,534</u>	<u>\$ 272,685</u>

*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	<u>\$ 271,874</u>	<u>\$ 306,534</u>	<u>\$ 348,541</u>

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 8 – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS - Continued

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

For the year ended December 31, 2019, HELP recognized OPEB expense of \$17,095. At December 31, 2019, HELP reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NOTE 8 – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS - Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,467	\$ (4,949)
Changes in assumptions	39,938	(17,084)
<b>Total</b>	<b>\$ 45,405</b>	<b>\$ (22,034)</b>

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

<u>Years ending December 31:</u>	
2020	2,597
2021	2,597
2022	2,597
2023	2,597
2024	2,597
Thereafter	10,387

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

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 11 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget/Actual Variances

When comparing budget to actual revenue and expenditure amounts for the year ended December 31, 2018, the following governmental funds had variances greater than 5%:

	<u>Budget</u>	<u>Actual</u>	<u>Variances (Unfavorable)</u>
Transportation Fund			
Intergovernmental Revenues	\$ 196,530	\$ 180,704	\$ (15,826)
LIHEAP Fund			
Intergovernmental Revenues	\$ 90,736	\$ 68,694	\$ (22,042)

NOTE 12 - 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, 2019.

NOTE 13 – PRIOR PERIOD ADJUSTMENTS

The General Fund and the CSBG Fund reflect prior period adjustments to fund balance that are a result of prior year balances owed to other governments (LPPJ) becoming uncollectible due to changes in grant funding causing a decrease in fund balance and net assets of \$14,634.

NOTE 14 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 5, 2020, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

**REQUIRED SUPPLEMENTAL INFORMATION (PART B)  
BUDGETARY COMPARISON SCHEUDLES**

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH  
RUSTON, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Intergovernmental Revenue	\$ -	\$ -	\$ -	\$ -
Use of Money and Property	6	6	6	-
Total Revenue	<u>6</u>	<u>6</u>	<u>6</u>	<u>-</u>
<u>Expenditures (Outflows):</u>				
Other Support Costs	641	641	641	-
Total Expenditures	<u>641</u>	<u>641</u>	<u>641</u>	<u>-</u>
<u>Excess of Revenues Over Expenditures</u>	(635)	(635)	(635)	-
<u>Fund Balance at Beginning of Year</u>	<u>5,958</u>	<u>5,958</u>	<u>5,958</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 5,323</u>	<u>\$ 5,323</u>	<u>\$ 5,323</u>	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH  
RUSTON, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE - TRANSPORTATION  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Intergovernmental Revenue	\$ 196,530	\$ 196,530	\$ 180,704	\$ (15,826)
Fees & Charges for Services	15,656	15,656	19,076	3,420
Other Revenues	27	27	26	(1)
Total Revenues	<u>212,213</u>	<u>212,213</u>	<u>199,806</u>	<u>(12,407)</u>
<u>Expenditures (Outflows):</u>				
Program Activities & Administration	<u>211,445</u>	<u>211,445</u>	<u>208,490</u>	<u>2,955</u>
Total Expenditures	<u>211,445</u>	<u>211,445</u>	<u>208,490</u>	<u>2,955</u>
<u>Deficiency of Revenues Over</u>				
<u>Expenditures</u>	768	768	(8,684)	(9,452)
<u>Fund Balance at Beginning of Year</u>	<u>4,690</u>	<u>4,690</u>	<u>4,690</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 5,458</u>	<u>\$ 5,458</u>	<u>\$ (3,994)</u>	<u>\$ (9,452)</u>

The accompanying notes are an integral part of this financial statement.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH  
RUSTON, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE -  
COMMUNITY SERVICES BLOCK GRANT (CSBG)  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Intergovernmental Revenue	\$ 245,712	\$ 245,712	\$ 268,258	\$ 22,546
Other Revenue	252	252	420	168
Total Revenues	<u>245,964</u>	<u>245,964</u>	<u>268,678</u>	<u>22,714</u>
<u>Expenditures (Outflows):</u>				
Program Activities & Administration	266,026	266,026	243,403	22,623
Total Expenditures	<u>266,026</u>	<u>266,026</u>	<u>243,403</u>	<u>22,623</u>
<u>Deficiency of Revenues Over</u>				
<u>Expenditures</u>	(20,062)	(20,062)	25,275	45,337
<u>Fund Balance at Beginning of Year</u>	<u>41,695</u>	<u>41,695</u>	<u>41,695</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 21,633</u>	<u>\$ 21,633</u>	<u>\$ 66,970</u>	<u>\$ 45,337</u>

The accompanying notes are an integral part of this financial statement.



HUMANITARIAN ENTERPRISES OF LINCOLN PARISH  
RUSTON, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE - LIHEAP  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues (Inflows):</u>				
Intergovernmental Revenue	\$ 90,736	\$ 90,736	\$ 68,694	\$ (22,042)
Total Revenues	<u>90,736</u>	<u>90,736</u>	<u>68,694</u>	<u>(22,042)</u>
<u>Expenditures (Outflows):</u>				
Program Activities & Administration	<u>75,788</u>	<u>75,788</u>	<u>75,311</u>	<u>477</u>
Total Expenditures	<u>75,788</u>	<u>75,788</u>	<u>75,311</u>	<u>477</u>
<u>Deficiency of Revenues Over Expenditures</u>	14,948	14,948	(6,617)	(21,565)
<u>Fund Balance at Beginning of Year</u>	<u>56,058</u>	<u>56,058</u>	<u>56,058</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 71,006</u>	<u>\$ 71,006</u>	<u>\$ 49,441</u>	<u>\$ (21,565)</u>

The accompanying notes are an integral part of this financial statement.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH  
RUSTON, LOUISIANA  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
FOR THE YEAR ENDED DECEMBER 31, 2019

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.

**OTHER SUPPLEMENTAL INFORMATION**

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH  
RUSTON, LOUISIANA  
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	2018	2019
Total OPEB Liability		
Service cost	\$ 4,365	\$ 3,734
Interest	10,093	10,764
Changes of benefit terms	-	-
Differences between expected and actual experience	(6,049)	6,075
Changes of assumptions	(20,881)	44,375
Benefit payments	(18,085)	(19,080)
Net change in total OPEB liability	<u>(30,557)</u>	<u>45,868</u>
Total OPEB liability - beginning	<u>291,223</u>	<u>260,666</u>
Total OPEB liability - ending (a)	<u>\$ 260,666</u>	<u>\$ 306,534</u>
Covered-employee payroll	\$ 237,349	\$ 244,469
Net OPEB liability as a percentage of covered-employee payroll	109.82%	125.39%
Notes to Schedule:		
<i>Benefit Changes:</i>	None	None
<i>Changes of Assumptions:</i>		
<i>Discount Rate:</i>	4.10%	2.74%

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

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH  
RUSTON, LOUISIANA  
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO  
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Tomica McDonald</u> <u>Executive Director</u>	<u>Martene Thissel</u> <u>Interim Director</u>
<i>Purpose:</i>		
Salary	\$ 31,284	\$ 33,903
Benefits - Insurance	5,497	8,896
Benefits - Retirement	3,598	3,899
Benefits - Dental	246	399
Travel Reimbursements	-	616
	<hr/>	<hr/>
Total	<u>\$ 40,625</u>	<u>\$ 47,713</u>

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

To the Board of Commissioners  
Humanitarian Enterprises of Lincoln Parish  
Ruston, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Humanitarian Enterprises of Lincoln Parish, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements, and have issued my report thereon dated August 5, 2020.

***Internal Control Over Financial Reporting***

In planning and performing my audit of the financial statements, I 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 my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, I do not express an opinion on the effectiveness of the Center's internal control.

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

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

Humanitarian Enterprises of Lincoln Parish  
Ruston, Louisiana

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Humanitarian Enterprises of Lincoln Parish's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2019-1 through 2019-3.

***Humanitarian Enterprises of Lincoln Parish's Response to Findings***

Humanitarian Enterprises of Lincoln Parish's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Humanitarian Enterprises of Lincoln Parish'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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the use of management of the Humanitarian Enterprises of Lincoln Parish and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

WILLIAM R. HULSEY (APAC)  
Certified Public Accountant



August 5, 2020

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH  
RUSTON, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

To the Health and Welfare Committee Members  
of the Humanitarian Enterprises of Lincoln Parish  
Ruston, Louisiana

I have audited the financial statements of the Humanitarian Enterprises of Lincoln Parish (the Center) as of and for the year ended December 31, 2019 and have issued my report thereon dated August 5, 2020. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2019, resulted in an unqualified opinion.

**SECTION I - Summary of Auditor's Results**

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

Internal Control

Material Weakness \_\_\_ yes X no

Significant Deficiencies not considered to be  
Material Weaknesses \_\_\_ yes X no

Compliance

Compliance Material to Financial Statements X yes \_\_\_ no

B. Federal Awards

Material Weakness Identified \_\_\_ yes X no

Significant Deficiencies not considered to be  
Material Weaknesses \_\_\_ yes X no

Type of Opinion on Compliance For Major Programs (No Major Programs)

Unqualified \_\_\_\_\_ Qualified \_\_\_\_\_

Disclaimer \_\_\_\_\_ Adverse \_\_\_\_\_

Are their findings required to be reported in accordance with the Uniform  
Guidance (a)? N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster)

CFDA Number(s)

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a "low-risk" auditee, as defined by the Uniform Guidance? N/A



HUMANITARIAN ENTERPRISES OF LINCOLN PARISH  
RUSTON, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**SECTION II - Financial Statement Findings**

19-1 Payments of bonuses to employees.

Condition:

During the year, the former HELP Agency director purchased 9 gift cards for \$100 each for distribution as employee appreciation gifts. This purchase was split evenly across the three active funds of the HELP Agency, namely, the Transportation fund, the CSBG fund, and the LIHEAP fund.

Criteria:

According to the Louisiana Constitution Article VI, Section 14(A), any payment of a bonus or any other gratuitous unearned payment to employees is prohibited.

Effect:

The purchase and disbursement of the gift cards puts the entity in violation of the Louisiana Constitution. Because the purchase was reimbursed by grant agencies, the Agency is in violation of grant requirements.

Recommendation:

It is recommended that the Board and new Executive Director review the sections of the Louisiana Constitution regarding gratuitous payments to employees. The new Executive Director has been provided a copy of the Best Practices in Government Checklist compiled by the Louisiana Legislative Auditor.

Response:

The former Executive Director responsible for making this purchase is no longer employed by the Agency. The current Executive Director has been made aware the type of payments that could be in violation of the Louisiana Constitution, and has shared this information with the Board. The Board believes that under the new director, these flagrant misuses of public funds will not occur in the future.

19-2 Donation of Public Funds.

Condition:

Per the March 2019 board meeting minutes, several frequent riders were given gift bags which included a voucher for 5 complimentary rides valued at \$25.00.

Criteria:

According to the Louisiana Constitution Article VII, Section 14, any donation of a thing of value (rides on parish vans) to the political subdivision is prohibited.

Effect:

The gifting of vouchers for free rides puts the entity in violation of the Louisiana Constitution.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH  
RUSTON, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**SECTION II - Financial Statement Findings - Continued**

19-2 Donation of Public Funds – Continued

Recommendation:

It is recommended that the Board and new Executive Director review the sections of the Louisiana Constitution regarding donation, loan or pledge of public funds. The new Executive Director has been provided a copy of the Best Practices in Government Checklist compiled by the Louisiana Legislative Auditor.

Response:

The former executive director responsible for gifting these vouchers is no longer employed by the Agency. The current executive director has been made aware the type of payments that could be in violation of the Louisiana Constitution, and has shared this information with the Board. The Board believes that under the new director, these flagrant misuses of public funds will not occur in the future.

19-3 Unauthorized Use of Parish Vehicle.

Condition:

The former Executive Director used the parish vehicle for a personal vacation in January 2019.

Criteria:

Per Louisiana R.S. 42:1461, an official of a political subdivision, by the act of accepting such employment, assumes a personal obligation not to misuse public property.

Effect:

The personal use of a parish vehicle is in violation of Louisiana R.S. 42:1461.

Recommendation:

It is recommended that the Board and new Executive Director review Louisiana R.S. 42:1461 as it pertains to all employees and officials of the Agency. Also, it is recommended to recapitulate the language in R.S. 42:1461 in the form of an internal policy and procedure document to further alert employees to this law.

Response:

The former executive director responsible for giving these vouchers is no longer employed by the Agency. The current executive director is currently drafting a police and procedure manual that will include this language.

**SECTION III - Federal Award Findings and Questioned Costs**

No matters were reported.

HUMANITARIAN ENTERPRISES OF LINCOLN PARISH  
RUSTON, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2019

Internal Control and Compliance Material to Federal Awards

There were no findings for this category.

Internal Control and Compliance Material to the Financial Statements

There were no findings for this category.

Management Letter Comments

There were no findings for this category.

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the H.E.L.P. and the Louisiana Legislative Auditor:


I have performed the procedures enumerated below, which were agreed to by the H.E.L.P. (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The findings obtained are described in the attachment to this report.

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

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

  
Monroe, Louisiana  
August 5, 2020

SUPPLEMENT TO INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES

***Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving
  - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
  - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
  - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
  - g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
  - h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
  - i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
  - j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
  - k) ***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.

**Exceptions**

Currently, the Agency only has written policies and procedures addressing purchasing and travel. There are no other policies and procedures in place regarding the other areas noted above.

### ***Board or Finance Committee***

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2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

#### **Exceptions**

No exceptions were identified in the performance of the procedures listed above.

### ***Bank Reconciliations***

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3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

#### **Exceptions**

No exceptions were identified in the performance of the procedures listed above.

### ***Collections***

---

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
  - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
  - e) Trace the actual deposit per the bank statement to the general ledger.

#### Exceptions

No exceptions were identified in the performance of the procedures listed above.

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

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8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- a) Observe that the disbursement matched the related original invoice/billing statement.
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

#### Exceptions

No exceptions were identified in the performance of the procedures listed above.

#### *Credit Cards/Debit Cards/Fuel Cards/P-Cards*

---

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
  - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

#### Exceptions

No exceptions were identified in the performance of the procedures listed above.



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

---

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

#### Exceptions

Two exceptions were identified in the performance of the procedures listed above. Missing Receipts for one employee and no approval for another employee's reimbursements.

#### Management's Response

The Center's new director has carefully reviewed the travel policy and has trained staff that an itemized receipt must be provided for any purchase charged to the HELP credit card, or submitted for a travel reimbursement. Director approval is needed on all employees, and the Police Jury Administrator should approve the Director's travel.

### Contracts

---

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
  - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

#### Exceptions

No exceptions were identified in the performance of the procedures listed above.

## *Payroll and Personnel*

---

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

### Exceptions

No exceptions were identified in the performance of the procedures listed above.

## *Ethics*

---

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
  - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

### Exceptions

No exceptions were identified in the performance of the procedures listed above.

### *Debt Service*

---

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

#### Exceptions

No exceptions were identified in the performance of the procedures listed above.

### *Other*

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

#### Exceptions

No exceptions were identified in the performance of the procedures listed above.