

R E P O R T  
ACADIANA  
LEGAL SERVICE CORPORATION  
FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT  
DECEMBER 31, 2018 AND 2017

ACADIANA LEGAL SERVICE CORPORATION

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# Duplantier Hrapmann Hogan & Maher, LLP

## INDEPENDENT AUDITOR'S REPORT

April 23, 2019

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Board of Directors  
Acadiana Legal Service Corporation  
Lafayette, LA

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Acadiana Legal Service Corporation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

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

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

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

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

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Acadiana Legal Service Corporation as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Acadiana Legal Service Corporation as a whole. The accompanying supplementary information and other supplementary information, as listed in the index to report, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information and schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The other supplementary information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2019, on our consideration of the Acadiana Legal Service Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Acadiana Legal Service Corporation's internal control over financial reporting and compliance.

***Duplantier, Hrapmann, Hogan & Maher, LLP***

New Orleans, Louisiana

ACADIANA LEGAL SERVICE CORPORATION  
 STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2018 AND 2017

ASSETS

	<u>2018</u>	<u>2017</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 890,272	\$ 726,816
Grants receivable	331,721	296,125
Other receivables	6,071	10,453
Prepaid expenses	43,610	62,367
Client escrow funds, restricted	22,544	20,771
Total current assets	1,294,218	1,116,532
PROPERTY AND EQUIPMENT - NET	2,955,693	2,877,922
TOTAL ASSETS	\$ 4,249,911	\$ 3,994,454

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Payable from current assets:		
Accounts payable	\$ 105,855	\$ 52,457
Bank payable	-	23,767
Accrued expenses	89,639	68,792
Note payable, current portion	-	21,001
Total payable from current assets	195,494	166,017
Payable from current assets:		
Client escrow funds	22,544	20,771
Total payable from restricted assets	22,544	20,771
Total current liabilities	218,038	186,788
LONG-TERM LIABILITIES:		
Note payable, non-current portion	-	60,223
Compensated annual leave	186,801	203,308
Total long-term liabilities	186,801	263,531
TOTAL LIABILITIES	404,839	450,319
NET ASSETS:		
Without restrictions (deficit)	159,153	(78,665)
With restrictions:		
Legal Services Corporation - grants	634,491	532,929
Legal Services Corporation - property	2,955,693	2,877,922
Louisiana Bar Foundation	95,735	211,949
Total net assets with restrictions	3,685,919	3,622,800
Total net assets	3,845,072	3,544,135
TOTAL LIABILITIES AND NET ASSETS	\$ 4,249,911	\$ 3,994,454

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

ACADIANA LEGAL SERVICE CORPORATION  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018			2017		
	<u>Without Restrictions</u>	<u>With Restrictions</u>	<u>Total</u>	<u>Without Restrictions</u>	<u>With Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT:						
Grant revenue	\$ 244,383	\$ 5,878,304	\$ 6,122,687	\$ 235,714	\$ 5,442,128	\$ 5,677,842
Interest earnings	149	7,628	7,777	201	7,449	7,650
Donations	1,222	-	1,222	-	2,195,526	2,195,526
Other revenues	38,452	4,659	43,111	22,759	406	23,165
Net assets released from restrictions:						
Satisfaction of grant restrictions	<u>5,827,491</u>	<u>(5,827,491)</u>	<u>-</u>	<u>4,891,723</u>	<u>(4,891,723)</u>	<u>-</u>
Total revenue and support	<u>6,111,697</u>	<u>63,100</u>	<u>6,174,797</u>	<u>5,150,397</u>	<u>2,753,786</u>	<u>7,904,183</u>
EXPENSES:						
Legal services	5,138,336	-	5,138,336	4,372,680	-	4,372,680
Support services	<u>735,524</u>	<u>-</u>	<u>735,524</u>	<u>673,092</u>	<u>-</u>	<u>673,092</u>
Total expenses	<u>5,873,860</u>	<u>-</u>	<u>5,873,860</u>	<u>5,045,772</u>	<u>-</u>	<u>5,045,772</u>
CHANGE IN NET ASSETS	237,837	63,100	300,937	104,625	2,753,786	2,858,411
NET ASSETS (DEFICIT) AT BEGINNING OF YEAR	<u>(78,665)</u>	<u>3,622,800</u>	<u>3,544,135</u>	<u>(183,290)</u>	<u>869,014</u>	<u>685,724</u>
NET ASSETS (DEFICIT) AT END OF YEAR	<u>\$ 159,172</u>	<u>\$ 3,685,900</u>	<u>\$ 3,845,072</u>	<u>\$ (78,665)</u>	<u>\$ 3,622,800</u>	<u>\$ 3,544,135</u>

The accompanying notes are an integral part of these financial statements

ACADIANA LEGAL SERVICE CORPORATION  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018			2017		
	Legal Services	Supportive Services	Total Expenses	Legal Services	Supportive Services	Total Expenses
Salaries and wages:						
Lawyers	\$1,967,824	\$ 42,868	\$2,010,692	\$1,637,667	\$ 39,747	\$1,677,414
Paralegals and law clerks	740,504	184,691	925,195	598,777	157,510	756,287
Other	674,889	168,325	843,214	549,420	144,527	693,947
Employee benefits	654,835	163,324	818,159	599,254	157,635	756,889
Office rent and utilities	191,923	26,171	218,094	153,307	20,906	174,213
Equipment rentals and maintenance	63,549	15,850	79,399	63,323	16,657	79,980
Office supplies and expenses	122,225	30,485	152,710	72,963	19,193	92,156
Telephone	57,312	14,294	71,606	67,293	17,701	84,994
Travel and training	138,789	8,859	147,648	158,892	10,142	169,034
Depreciation	92,880	23,165	116,045	60,149	15,822	75,971
Library and other supplies	46,451	-	46,451	32,136	-	32,136
Insurance	73,224	18,263	91,487	51,961	13,668	65,629
Professional services	26,504	6,611	33,115	25,138	6,612	31,750
Contractual services	104,484	26,059	130,543	159,338	41,914	201,252
Membership fees	32,655	666	33,321	23,526	480	24,006
Litigation costs	6,022	-	6,022	7,131	-	7,131
Subgrant awards	132,026	-	132,026	105,776	-	105,776
Interest	-	2,840	2,840	-	8,834	8,834
Miscellaneous	12,240	3,053	15,293	6,629	1,744	8,373
Total expenses	<u>\$5,138,336</u>	<u>\$ 735,524</u>	<u>\$5,873,860</u>	<u>\$4,372,680</u>	<u>\$ 673,092</u>	<u>\$5,045,772</u>

The accompanying notes are an integral part of these financial statements

ACADIANA LEGAL SERVICE CORPORATION  
 STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 300,937	\$ 2,858,411
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Donated property, plant, and equipment included in donations	-	(2,184,093)
Gain on disposal of property, plant, and equipment	(4,659)	-
Depreciation	116,045	75,971
Effects on operating cash flows due to change in:		
Grants receivable	(35,596)	(283,886)
Other receivables	4,382	(4,296)
Prepaid expenses	18,757	(25,800)
Accounts payable	53,398	17,001
Bank payable	(23,767)	23,767
Accrued expenses	20,847	31,557
Compensated annual leave	(16,507)	69,784
Net cash provided by operating activities	<u>433,837</u>	<u>578,416</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Acquisition of property and equipment	(197,576)	(170,170)
Insurance proceeds	8,419	-
Net cash used by investing activities	<u>(189,157)</u>	<u>(170,170)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Capital lease payments	-	(3,264)
Principal payments on note	(81,224)	(105,854)
Net cash used by financing activities	<u>(81,224)</u>	<u>(109,118)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	163,456	299,128
Cash and cash equivalents - beginning of year	<u>726,816</u>	<u>427,688</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 890,272</u>	<u>\$ 726,816</u>
Cash paid during the year for interest	<u>\$ 2,840</u>	<u>\$ 8,834</u>

The accompanying notes are an integral part of these financial statements

ACADIANA LEGAL SERVICE CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Operations

The Acadiana Legal Service Corporation (the Corporation) is a non-profit organization which was created in 1978 to primarily provide civil legal services to low income and elderly residents of Louisiana. The Corporation is funded primarily by the Legal Services Corporation (LSC), a non-profit corporation established by Congress to administer a nationwide legal assistance program.

Effective January 3, 2017, the Corporation expanded its operations when the Legal Services Corporation awarded the Corporation an expansion grant to provide services to eligible clients in 26 new parishes, in the northern sections of Louisiana. The Corporation now serves 42 parishes in the State of Louisiana.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and the requirements of the Legal Services Corporation Accounting Guide.

Basis of Presentation

Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Corporation and changes therein are classified and reported as follows:

- a) *Net assets without restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Revenues are reported as increases in net assets without restrictions, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without restrictions.
- b) *Net assets with restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulated that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

For financial statement purposes, the Corporation considers all highly-liquid investments purchased with a maturity of three months or less to be cash equivalents.

ACADIANA LEGAL SERVICE CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Client Trust Escrow Funds

Funds received from clients are deposited into a separate cash account and restricted for the payment of expenses in connection with related litigation.

Property and Equipment

Property and equipment is recorded at cost. Depreciation of property and equipment is based upon the estimated useful service lives, which range from 1 to 39 years, using the straight-line method. Maintenance and repairs are charged to expense, while additions and improvements are capitalized. During the year ended December 31, 2018, the Corporation's asset capitalization policy was modified, retroactive to January 1, 2018, to reflect the following change: property acquisitions of non-expendable items with a value in excess of \$5,000 and a useful life of more than one year are capitalized and depreciated. Any purchases below this threshold are expensed. For the year ended December 31, 2017, property acquisitions of non-expendable items with a value in excess of \$1,000 and a useful life of more than one year are capitalized and depreciated. Any purchases below this threshold were expensed.

Property and equipment acquired with the Legal Services Corporation funds are considered to be owned by the Acadiana Legal Service Corporation while used in the program or future authorized programs. However, the Legal Services Corporation has a reversionary interest in those assets and has a right to determine the use of any proceeds from the sales of assets purchased with its funds. Legal Services Corporation has a reversionary interest in all assets of the Corporation.

Allowance for Uncollectible Accounts

Accounts are considered past due based on their contractual terms. Receivables are closely monitored by management during the year and all accounts considered to be uncollectible are written off. As of December 31, 2018 and 2017, the Corporation had no allowance for uncollectible accounts related to grants receivable.

Revenue and Support with Restrictions and without Restrictions

Contributions received are recorded as increases in net assets without donor restrictions or increases in net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in net assets with restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with restrictions are reclassified to net assets without restrictions, and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same accounting period are reported as support and revenues without restrictions.

ACADIANA LEGAL SERVICE CORPORATION  
 NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Revenue and Support with Restrictions and without Restrictions (Continued)

The Corporation recognizes grants from the Legal Services Corporation as support on a straight-line basis over the grant period. Any grant remaining unexpended at the end of the accounting period is recorded as net assets with restrictions. In accordance with normal Legal Services Corporation policies, the Corporation may use unspent funds in future periods as long as expenses incurred are in compliance with specified terms of the Legal Services Corporation grant, as defined. The Legal Services Corporation may, at its discretion, request reimbursement for expenses or return of grants, or both, as a result of non-compliance by the Corporation with the terms of the grant. In addition, if the Corporation terminates its Legal Services Corporation grant activities, all unexpended amounts are to be returned to the Legal Services Corporation.

The Corporation received greater than 10% of its revenue from each of the following grantors:

	<u>2018</u>	<u>2017</u>
Legal Services Corporation	53%	52%
Louisiana Bar Foundation	43%	44%

Grants which are cost reimbursable under federal contracts are recorded as net assets without restrictions in the statement of activities. All grantor-restricted support is reported as an increase in net assets with restrictions in the statements of activities.

One-time grants can be awarded to support a specific event or project. These one-time grants that are essentially one-time infusions to the annualized grant should be recorded as support as eligible costs are incurred during the period specified in the grant. Until expenses are incurred for the restricted activity, one-time grants in this category are recorded in the Corporation's financial statements as deferred revenue on the statement of financial position. When a one-time grant or contract expires, the unexpended amount is to be returned to the Legal Services Corporation. As of December 31, 2018 and 2017, the Corporation did not have any deferred revenues.

Attorney's Fees

Attorney's fees received are recorded during the accounting period in which the money from the fee award is actually received by the Corporation and is expended for any purpose permitted by the Legal Services Corporation Act.

ACADIANA LEGAL SERVICE CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Allocation of Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses which are directly associated with legal services or supportive services are charged directly to that functional area. Office rent and utilities expenses have been allocated based upon the square footage allocated to supportive services. All other expenses have been allocated to legal services or supportive services based on administrative time devoted by the Corporation staff.

Donated Services and Assets

Donated services are legal services rendered at no charge to the Corporation. The value of donated services is based upon estimated fees normally charged by the professional rendering the service.

Donated services are recognized both as support and expenses and, therefore, do not affect net assets. Donated services amounted to \$19,654 and \$4,321 for the years ended December 31, 2018 and 2017, respectively.

Donated land, buildings, and furniture and equipment are recorded at their fair value at the date of donation. These donations are either expensed or capitalized.

Income Taxes

The Corporation is exempt from federal tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Corporation has been classified as an organization that is not a private foundation under Section 509(a)(2). Accordingly, no provision for income taxes has been made. However, if the Corporation would engage in activities unrelated to the purpose for which it was created, taxable income could result. In management's judgment, the Corporation does not have any tax positions that would result in a loss contingency considering the facts, circumstances, and information available at the reporting date.

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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

ACADIANA LEGAL SERVICE CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Advertising

The Corporation expenses the cost of advertising as incurred. Total advertising expenses for the years ended December 31, 2018 and 2017, were \$15,292 and \$4,520, respectively.

New Accounting Pronouncement

During the year ended December 31, 2018, the Corporation adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14)*. This Update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is a change in the net asset classes used in the financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with restrictions. A footnote on liquidity and availability of financial statements has also been added to the financial statements (Note 17).

2. CASH AND CASH EQUIVALENTS:

At December 31, 2018 and 2017, the Corporation had cash (book balances) totaling \$890,272 and \$726,816 consisting primarily of demand deposit accounts at several financial institutions. These deposits were stated at cost, which approximates market. Accounts are insured by Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Insurance Fund (NCUSIF) up to \$250,000. All of the Corporation's cash balances were insured by the FDIC or NCUSIF at December 31, 2018. At December 31, 2017, the Corporation's uninsured balances totaled \$42,284.

ACADIANA LEGAL SERVICE CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

3. GRANTS RECEIVABLE:

Grants receivable for the Corporation consisted of the following at December 31:

	<u>2018</u>	<u>2017</u>
Allen Parish Council on Aging, Inc.	\$ 3,590	\$ 179
Beauregard Parish Council on Aging, Inc.	377	1,395
Bienville Parish Council on Aging, Inc.	70	737
Bossier Council on Aging Inc.	1,555	-
Cajun Area Agency on Aging, Inc.	18,132	2,430
Calcasieu Parish Council on Aging, Inc.	8,200	8,200
Caldwell Parish Council on Aging	168	973
Cameron Parish Council on Aging, Inc.	48	2,138
CENLA Area Agency on Aging, Inc.	1,684	1,673
Claiborne Parish Council on Aging, Inc.	224	833
Desoto Parish Council on Aging, Inc.	147	1,141
Jefferson Davis Parish Council on Aging, Inc.	337	1,011
Lincoln Parish Council on Aging	1,316	-
Louisiana Bar Foundation - Child Fellowship	18,704	-
Louisiana Bar Foundation - IOLTA	265,391	265,391
Morehouse Parish Council on Aging, Inc.	238	1,050
Natchitoches Parish Council on Aging, Inc.	4,000	4,074
North Delta Area Agency on Aging, Inc.	1,540	3,780
Red River Council on Aging, Inc.	364	-
Sabine Parish Council on Aging	2,100	42
Vernon Council on Aging	1,044	-
Webster Council on Aging, Inc.	2,492	-
West Carroll Parish Council on Aging, Inc.	-	1,078
	<u>          </u>	<u>          </u>
Total grants receivable	<u>\$ 331,721</u>	<u>\$ 296,125</u>

ACADIANA LEGAL SERVICE CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

4. PROPERTY AND EQUIPMENT:

The following is a summary of changes in property and equipment for the year ended December 31, 2018:

	01/01/18	Additions	Deletions	12/31/18
<u>Assets not being depreciated:</u>				
Land	\$ 886,665	\$ -	\$ -	\$ 886,665
<u>Assets being depreciated:</u>				
Buildings and improvements	2,820,929	73,013	-	2,893,942
Law library	38,082	-	-	38,082
Furniture and equipment	469,747	124,563	(62,890)	531,420
	<u>3,328,758</u>	<u>197,576</u>	<u>(62,890)</u>	<u>3,463,444</u>
<u>Less accumulated depreciation:</u>				
Buildings and improvements	(999,710)	(55,895)	-	(1,055,605)
Law library	(28,283)	(3,109)	-	(31,392)
Furniture and equipment	(309,508)	(57,041)	59,130	(307,419)
	<u>(1,337,501)</u>	<u>(116,045)</u>	<u>59,130</u>	<u>(1,394,416)</u>
Net property and equipment being depreciated	<u>1,991,257</u>	<u>81,531</u>	<u>(3,760)</u>	<u>2,069,028</u>
Net property and equipment	<u>\$ 2,877,922</u>	<u>\$ 81,531</u>	<u>\$ (3,760)</u>	<u>\$ 2,955,693</u>

The following is a summary of changes in property and equipment for the year ended December 31, 2017:

	01/01/17	Additions	Deletions	12/31/17
<u>Assets not being depreciated:</u>				
Land	\$ 231,165	\$ 655,500	\$ -	\$ 886,665
<u>Assets being depreciated</u>				
Buildings and improvements	1,278,223	1,542,706	-	2,820,929
Law library	38,082	-	-	38,082
Furniture and equipment	313,690	156,057	-	469,747
	<u>1,629,995</u>	<u>1,698,763</u>	<u>-</u>	<u>3,328,758</u>
<u>Less: accumulated depreciation</u>				
Buildings and improvements	(962,933)	(36,777)	-	(999,710)
Law library	(25,175)	(3,108)	-	(28,283)
Furniture and equipment	(273,422)	(36,086)	-	(309,508)
	<u>(1,261,530)</u>	<u>(75,971)</u>	<u>-</u>	<u>(1,337,501)</u>
Net property and equipment being depreciated	<u>368,465</u>	<u>1,622,792</u>	<u>-</u>	<u>1,991,257</u>
Net property and equipment	<u>\$ 599,630</u>	<u>\$ 2,278,292</u>	<u>\$ -</u>	<u>\$ 2,877,922</u>

ACADIANA LEGAL SERVICE CORPORATION  
 NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

4. PROPERTY AND EQUIPMENT: (Continued)

Depreciation expense for the years ended December 31, 2018 and 2017 was \$116,045 and \$75,971, respectively.

5. DONATED PROPERTY AND EQUIPMENT:

Donations of property and equipment are recorded as contributions at fair value at the date of donation. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as increases in net assets with restrictions. It is the Corporation's policy to imply a time restriction, based on the assets' estimated useful lives, on donations of property and equipment that are not restricted as to their use by the donor. Accordingly, those donations are recorded as increases in net assets with restrictions. The Corporation reclassifies net assets with restrictions to net assets without restrictions each year for the amount of depreciation expense relating to the donated property and equipment.

During the year ended December 31, 2018, the Corporation received no donations for which capitalization was necessary. During the year ended December 31, 2017, the Corporation was awarded an LSC expansion grant to provide legal services to an expanded LSC service area. With LSC's approval, the previous LSC grantee of the service area was allowed to transfer LSC-funded property and equipment to the Corporation. Total amount donated for property and equipment was \$2,195,526 of which \$2,184,093 was capitalized and \$11,433 was expensed. Details of the capitalized donated property are as follows for the years ended December 31:

	2018	2017
	Donations	Donations
Land	\$ -	\$ 655,500
Buildings and improvements	-	1,487,500
Furniture and equipment	-	41,093
Total donated property and equipment	\$ -	\$ 2,184,093

6. LEASE COMMITMENTS:

Operating Leases

The Corporation leases office space in Lake Charles, Louisiana. The lease has a three-year lease term. Monthly rental payments are scheduled as follows: 1) \$3,240 for the period December 15, 2017 through December 31, 2018; 2) \$3,350 for the period January 1, 2018 through December 31, 2018; and 3) \$3,449 for the period January 1, 2019 through December 31, 2019.

ACADIANA LEGAL SERVICE CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

6. LEASE COMMITMENTS: (Continued)

The Corporation also entered into agreements to lease postage meters, ranging from \$71 to \$228, for each of its offices. The terms of these agreements range from 36 to 60 months.

The operating lease commitments expected under the above leases are as follows for the years ending December 31:

Year Ending December 31,	
2019	\$ 47,180
2020	5,290
2021	3,351
2022	2,740
2023	1,827
	<u>\$ 60,388</u>

The Corporation has entered into month-to-month agreements to lease garage space and storage units. Payments under these agreements approximate \$100 per month for the garage space and \$455 per month for the storage units.

Total rent expense charged under the operating leases above totaled \$75,977 and \$72,454 for the years ended December 31, 2018 and 2017, respectively.

7. NOTES PAYABLE:

The Corporation entered into a loan agreement with a financial institution on March 14, 2011, to fund the purchase of an office building in Alexandria, Louisiana. The original loan amount was \$260,140, with monthly principal and interest payments which began in April 2011 in the amount of \$2,232 per month. A final balloon payment of \$200,926 was due at maturity. The interest rate on the note was 6.25% until September 18, 2013. The terms of the note were modified effective September 18, 2013, to reflect an interest rate of 5%. The modified terms under the 5% interest rate required monthly principal and interest payments of \$2,057, with a final balloon payment of \$197,604 due with an original maturity dated March 14, 2016. The terms of the note were modified April 15, 2016, to reflect an interest rate of 4.5% with monthly principal and interest payments of \$2,057 and a final balloon payment due on April 15, 2021. During the year ended December 31, 2017, the Corporation made a \$90,000 principal payment on the loan, in addition to the Corporation's regular monthly payments, which reduced the principal balance owed. During the year ended December 31, 2018, the Corporation paid the remaining balance of \$81,224 on the note. There are no principal payments remaining. The note was secured by both office buildings in Alexandria and Lafayette, Louisiana. The balance on the note as of December 31, 2018 and 2017 was \$-0- and \$81,224 respectively.

ACADIANA LEGAL SERVICE CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
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8. COMPENSATED ANNUAL LEAVE:

An employee commences to earn and accrue annual leave with pay from the first day of employment. Accrual occurs at rates based on the length of employment and employees may carryover annual leave balances. Employees with less than three years of service are allowed to carryover a maximum of 150 hours of accrued annual leave. Employees with more than three years of service are allowed to carryover a maximum of 225 hours of accrued annual leave. If accrued annual leave above 150 hours or 225 hours, respectively, is not taken by the end of the calendar year, the amounts exceeding the limit will be forfeited. Upon termination of employment, the employee will be paid any accrued and unused annual leave. Accrued compensatory time and sick time will not be paid upon termination. The Corporation has accrued \$186,801 and \$203,308 in compensated annual leave at December 31, 2018 and 2017, respectively.

During the year ended December 31, 2018, the Corporation implemented an annual leave redemption policy. The policy allows employees to redeem up to 37.5 hours of their unused, accrued annual leave. To be eligible for the redemption, employees must have at least 75 hours remaining after redemption and must have taken a scheduled vacation/annual leave for five consecutive days prior to the redemption. Compensation for the annual leave redeemed will be at the employee's current hourly rate. The annual leave redemption policy will be applicable as long as funding is available. The Corporation has made payments of \$9,058 under the annual leave redemption policy for the year ended December 31, 2018.

9. PRIVATE ATTORNEY INVOLVEMENT (PAI):

The Legal Services Corporation requires attorneys in private practice be involved in the delivery of services by the Acadiana Legal Service Corporation. The involvement must equal, at a minimum, 12.5% of the annualized basic field grant. For the years ended December 31, 2018 and 2017, PAI amounted to approximately 12.65% and 13.00%, respectively. This is based on the \$410,515 and \$383,074, respectively, of total PAI expenditures from the Legal Services Corporation basic field grant, Louisiana Bar Foundation grants, Title III, and other funding sources.

ACADIANA LEGAL SERVICE CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

9. PRIVATE ATTORNEY INVOLVEMENT (PAI): (Continued)

A schedule of private attorney involvement expenses is listed below:

	<u>2018</u>	<u>2017</u>
Salaries and wages:		
Lawyers	\$ 56,707	\$ 37,862
Paralegals	20,273	11,358
Non-lawyers	41,440	-
Employee benefits	23,436	45,223
Office rent and utilities	7,914	10,080
Equipment rentals and maintenance	2,048	3,081
Office supplies and expenses	19,730	13,109
Travel and training	3,355	5,057
Library and other supplies	1,352	1,411
Telephone	1,949	3,229
Insurance	1,469	1,791
Professional services	846	1,214
Contractual services	97,001	142,759
Membership fees	497	516
Litigation costs	116	254
Subgrants	132,026	105,776
Miscellaneous	356	354
Total Private Attorney Involvement Expenses	<u>\$ 410,515</u>	<u>\$ 383,074</u>
Compliance percentage	12.50%	12.50%
Actual PAI to LSC Basic Field Advances	12.65%	13.00%

10. LIMITATION OF FEDERAL CARRYOVER FUNDS:

The Legal Services Corporation limits the federal Legal Services Corporation fund balance carryover to 10% of the annualized grant award. Any excess carryover must be returned to the Legal Services Corporation. This percentage may be increased to 25% if a waiver of the restriction is submitted and approved. The Corporation has a carryover of 19.50% for the year ending December 31, 2018. A waiver will be submitted to the Legal Services Corporation related to the December 31, 2018, excess carryover of approximately \$309,117.

ACADIANA LEGAL SERVICE CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

10. LIMITATION OF FEDERAL CARRYOVER FUNDS: (Continued)

For the year ended December 31, 2017, the Corporation had a 10.35% or \$18,264 carryover. The carryover was due to the savings realized on repairs to the Lafayette and Shreveport office roofs completed in 2017. The Corporation was not able to expend the excess funds before the end of 2017. The Office of Compliance and Enforcement of Legal Services Corporation granted the Corporation's request to exceed the 10% threshold by 0.35% or to carry \$18,264 above the 10% threshold in its LSC fund account into the 2018 fiscal year. Pursuant to 45 CFR § 1628.4(e), the Corporation was required to use the carryover funds it was permitted by December 31, 2018. The funds were used to perform repairs to the roof of the Shreveport office building in 2018.

11. RETIREMENT PLAN:

The Corporation adopted a 403(b) retirement plan (the Plan) effective January 1, 1995. The Plan was amended and restated effective January 1, 2009. The Plan allows for employee elective deferrals and employer matching contributions. Employees are eligible to make elective deferrals to the Plan on their hire date, if their normal work hours are greater than 20 hours per week. Employees are considered eligible for employer matching contributions upon completing two years of eligible service. One year of eligible service consists of 1,000 hours. The Corporation shall determine, at its sole discretion, the amount of employer contributions to be made to the Plan. Effective September 2013, the Corporation eliminated its employer-portion contribution to the Plan. Effective with the first pay period of the fiscal year ending December 31, 2018, the Corporation re-established an employer matching contribution of up to 3% of the qualifying participant's salary for the year ended December 31, 2018. The Corporation's matching contributions for the years ending December 31, 2018 and 2017, were \$30,129 and \$-0-, respectively.

12. FEDERAL AND STATE GRANTS:

The Corporation's participation in the federal and state grant programs are governed by various rules and regulations of the grantor agency. Costs charged to the respective grant program are subject to audit and adjustment by the grantor agency; therefore, to the extent that the Corporation has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivables at December 31, 2018 and 2017 may be impaired. In the opinion of the management of the Corporation, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

ACADIANA LEGAL SERVICE CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

13. SUBGRANTS TO OTHER AGENCIES:

During the each year ended December 31, 2018 and 2017, the Corporation granted the following subgrants to other agencies:

	2018	2017
Legal Services Corporation:		
Central Louisiana Pro Bono Project	\$ 11,884	\$ 11,884
Lafayette Volunteer Lawyer Project	21,018	21,018
Shreveport Bar Foundation Pro Bono Project	45,000	18,750
Southwest Louisiana Bar Foundation	13,624	13,624
Total Legal Services Corporation	91,526	65,276
Child in Need of Care (CINC):		
Central Louisiana Pro Bono Project	23,000	23,000
Southwest Louisiana Bar Foundation	17,500	17,500
Total Child in Need of Care (CINC)	40,500	40,500
Total Subgrants to Other Agencies	\$ 132,026	\$ 105,776

All sub-grantees are pro bono programs, which use the funds to provide civil legal services to low-income persons eligible for representation by the Corporation.

14. NET ASSETS WITH RESTRICTIONS:

The Corporation's net assets with restrictions at December 31 consisted of the following:

	2018	2017
Litigation services	\$ 730,226	\$ 744,878
Property	2,955,693	2,877,922
	\$ 3,685,919	\$ 3,622,800

ACADIANA LEGAL SERVICE CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

15. NET ASSETS RELEASED FROM RESTRICTIONS:

Net assets were released from grant restrictions by satisfaction of the restricted purposes during the years ended December 31, as follows:

	<u>2018</u>	<u>2017</u>
Child in need of care cases	\$ 1,542,929	\$ 1,309,109
Mortgage, foreclosure, and bankruptcy cases	-	90
Other legal assistance	4,284,562	3,582,524
	<u>\$ 5,827,491</u>	<u>\$ 4,891,723</u>

16. BOARD-DESIGNATED NET ASSETS:

The Board of Directors has voted to designate up to \$175,000 of net assets for the following purposes: (1) to establish a \$100,000 reserve for future building maintenance and capital improvements of the Corporation's facilities and (2) to establish a \$75,000 reserve for the future purchase of an office building in Lake Charles, Louisiana.

17. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The following reflects the Corporation's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts available include donor restricted amounts that are available for general expenditure in the following year.

	<u>2018</u>	<u>2017</u>
Financial assets, at year-end:		
Cash and cash equivalents	\$ 890,272	\$ 726,816
Grants receivable	331,721	296,125
Other receivables	6,071	10,453
Client escrow funds	22,544	20,771
Total financial assets at year-end	<u>1,250,608</u>	<u>1,054,165</u>
Less contractual or donor-imposed restrictions:		
Client escrow funds	(22,544)	(20,771)
Donor-restricted for legal services (Legal Service Corporation)	(634,491)	(532,929)
Donor-restricted for legal services (Louisiana Bar Foundation)	(95,735)	(211,949)
Board-designated reserve for future maintenance and capital improvements	(100,000)	-
Board-designated reserve for future purchase of office space	(75,000)	-
Total contractual or donor-imposed restrictions	<u>(927,770)</u>	<u>(765,649)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 322,838</u>	<u>\$ 288,516</u>

ACADIANA LEGAL SERVICE CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

18. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through the date that the financial statements were available to be issued, which was April 23, 2019. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

19. RECLASSIFICATIONS:

Certain 2017 amounts have been reclassified to conform to the 2018 financial statement presentation. Net assets are unchanged due to these reclassifications.

20. ECONOMIC DEPENDENCY:

Approximately 96% of the Corporation's funding is provided through grants administered by the Legal Services Corporation and the Louisiana Bar Foundation. If significant budget cuts are incurred by either of the aforementioned grantors, the amount of funds received by the Corporation could be significantly reduced and adversely affect the Corporation's operations. Management is not aware of any actions that will adversely affect the amount of funding to be received by the Corporation in the next fiscal year.

**SUPPLEMENTARY INFORMATION**

ACADIANA LEGAL SERVICE CORPORATION  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF SUPPORT, REVENUE, AND EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2018

	With Restrictions						Without Restrictions			Total Restrictions	2018 Totals
	Legal Services Corporation			Louisiana Bar Foundation			Total With Restrictions	TIG	Other		
	Basic Field	Property and Equipment	Total	IOLTA	CINC	Other					
<b>REVENUE AND SUPPORT</b>											
Grant revenue	\$ 3,245,336	\$ -	\$ 3,245,336	\$ 1,061,563	\$ 1,472,500	\$ 98,905	\$ 5,878,304	\$ 11,478	\$ 232,905	\$ 244,383	\$ 6,122,687
Interest earnings	3,748	-	3,748	1,798	1,970	112	7,628	1	148	149	7,777
Donations	-	-	-	-	-	-	-	-	1,222	1,222	1,222
Other revenues	4,659	-	4,659	-	-	-	4,659	-	38,452	38,452	43,111
Total revenue and support	3,253,743	-	3,253,743	1,063,361	1,474,470	99,017	5,890,591	11,479	272,727	284,206	6,174,797
<b>EXPENSES</b>											
Salaries and wages											
Lawyers	848,515	-	848,515	416,677	609,222	81,256	1,955,670	12	55,010	55,022	2,010,692
Paralegals and law clerks	599,383	-	599,383	124,369	155,765	5,254	884,771	-	40,424	40,424	925,195
Non-lawyers	484,400	-	484,400	154,471	164,642	27,546	831,059	-	12,155	12,155	843,214
Employee benefits	401,115	-	401,115	156,883	239,810	13,822	811,630	5	6,524	6,529	818,159
Office rent and utilities	135,445	-	135,445	40,231	40,524	1,168	217,368	6	720	726	218,094
Equipment rentals and maintenance	38,969	-	38,969	17,685	21,517	583	78,754	2	643	645	79,399
Office supplies and expenses	78,990	-	78,990	26,332	35,937	6,078	147,337	5	5,368	5,373	152,710
Telephone	33,632	-	33,632	16,579	20,179	580	70,970	3	633	636	71,606
Travel and training	56,943	-	56,943	25,336	57,695	5,359	145,333	1,539	776	2,315	147,648
Depreciation	-	116,045	116,045	-	-	-	116,045	-	-	-	116,045
Library and other supplies	23,163	-	23,163	10,512	11,830	574	46,079	4	368	372	46,451
Insurance	48,560	-	48,560	18,764	21,008	1,335	89,667	7	1,813	1,820	91,487
Professional services	14,487	-	14,487	8,534	8,838	490	32,349	3	763	766	33,115
Contractual services	23,068	-	23,068	5,860	100,805	398	130,131	2	410	412	130,543
Membership fees	8,505	-	8,505	14,940	9,316	372	33,133	1	187	188	33,321
Litigation costs	2,335	-	2,335	2,492	1,150	21	5,998	-	24	24	6,022
Subgrant awards	91,526	-	91,526	-	40,500	-	132,026	-	-	-	132,026
Interest	2,840	-	2,840	-	-	-	2,840	-	-	-	2,840
Miscellaneous	7,356	-	7,356	3,352	4,191	208	15,107	1	185	186	15,293
Total expenses	2,899,232	116,045	3,015,277	1,043,017	1,542,929	145,044	5,746,267	1,590	126,003	127,593	5,873,860
Change in Net Assets (Deficit)	354,511	(116,045)	238,466	20,344	(68,459)	(46,027)	144,324	9,889	146,724	156,613	300,937
<b>NET ASSETS (DEFICIT) AT BEGINNING</b>											
OF YEAR	532,929	2,877,922	3,410,851	76,709	89,137	46,103	3,622,800	(12,747)	(65,918)	(78,665)	3,544,135
Debt service payments	(81,224)	-	(81,224)	-	-	-	(81,224)	-	81,224	81,224	-
Acquisition of property - purchases	(175,485)	197,576	22,091	(1,318)	(20,678)	(76)	19	(1)	(18)	(19)	-
Disposal of property	3,760	(3,760)	-	-	-	-	-	-	-	-	-
<b>NET ASSETS (DEFICIT) AT END OF YEAR</b>	<b>\$ 634,491</b>	<b>\$ 2,955,693</b>	<b>\$ 3,590,184</b>	<b>\$ 95,735</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,685,919</b>	<b>\$ (2,859)</b>	<b>\$ 162,012</b>	<b>\$ 159,153</b>	<b>\$ 3,845,072</b>

ACADIANA LEGAL SERVICE CORPORATION  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF SUPPORT, REVENUE, AND EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2017

	With Restrictions							Without Restrictions			2017 Totals	
	Legal Services Corporation			Louisiana Bar Foundation				Total With Restrictions	Total Without Restrictions			
	Basic Field	Property and Equipment	Total	IOLTA	CINC	MSS	Other		TIG	Other		
<b>REVENUE AND SUPPORT</b>												
Grant revenue	\$ 2,947,314	\$ -	\$ 2,947,314	\$ 953,872	\$ 1,403,556	\$ -	\$ 137,386	\$ 5,442,128	\$ -	\$ 235,714	\$ 235,714	\$ 5,677,842
Interest earnings	3,401	-	3,401	1,908	2,020	-	120	7,449	1	200	201	7,650
Donations	2,195,526	-	2,195,526	-	-	-	-	2,195,526	-	-	-	2,195,526
Other revenues	406	-	406	-	-	-	-	406	-	22,759	22,759	23,165
<b>Total revenue and support</b>	<b>5,146,647</b>	<b>-</b>	<b>5,146,647</b>	<b>955,780</b>	<b>1,405,576</b>	<b>-</b>	<b>137,506</b>	<b>7,645,509</b>	<b>1</b>	<b>258,673</b>	<b>258,674</b>	<b>7,904,183</b>
<b>EXPENSES</b>												
Salaries and wages												
Lawyers	465,531	-	465,531	522,960	499,076	90	64,204	1,551,861	136	125,417	125,553	1,677,414
Paralegals and law clerks	405,402	-	405,402	79,351	138,755	-	24,354	647,862	-	108,425	108,425	756,287
Non-lawyers	480,462	-	480,462	103,479	100,376	-	3,147	687,464	18	6,465	6,483	693,947
Employee benefits	562,796	-	562,796	31,644	154,357	-	5,124	753,921	5	2,963	2,968	756,889
Office rent and utilities	125,443	-	125,443	-	45,188	-	15	170,646	-	3,567	3,567	174,213
Equipment rentals and maintenance	38,342	-	38,342	17,837	21,469	-	571	78,219	5	1,756	1,761	79,980
Office supplies and expenses	54,147	-	54,147	13,856	18,390	-	3,480	89,873	4	2,279	2,283	92,156
Telephone	40,185	-	40,185	17,771	23,344	-	636	81,936	6	3,052	3,058	84,994
Travel and training	62,931	-	62,931	22,788	77,630	-	262	163,611	3,337	2,086	5,423	169,034
Depreciation	-	75,971	75,971	-	-	-	-	75,971	-	-	-	75,971
Library and other supplies	17,562	-	17,562	4,380	9,702	-	148	31,792	-	344	344	32,136
Insurance	22,289	-	22,289	19,929	20,757	-	793	63,768	-	1,861	1,861	65,629
Professional services	15,108	-	15,108	8,172	8,470	-	-	31,750	-	-	-	31,750
Contractual services	29,972	-	29,972	26,595	143,187	-	446	200,200	4	1,048	1,052	201,252
Membership fees	6,420	-	6,420	12,874	4,587	-	125	24,006	-	-	-	24,006
Litigation costs	3,155	-	3,155	2,754	896	-	29	6,834	-	297	297	7,131
Subgrant awards	65,276	-	65,276	-	40,500	-	-	105,776	-	-	-	105,776
Interest	8,834	-	8,834	-	-	-	-	8,834	-	-	-	8,834
Miscellaneous	4,382	-	4,382	1,433	2,425	-	41	8,281	-	92	92	8,373
<b>Total expenses</b>	<b>2,408,237</b>	<b>75,971</b>	<b>2,484,208</b>	<b>885,823</b>	<b>1,309,109</b>	<b>90</b>	<b>103,375</b>	<b>4,782,605</b>	<b>3,515</b>	<b>259,652</b>	<b>263,167</b>	<b>5,045,772</b>
Change in Net Assets (Deficit)	2,738,410	(75,971)	2,662,439	69,957	96,467	(90)	34,131	2,862,904	(3,514)	(979)	(4,493)	2,858,411
<b>NET ASSETS (DEFICIT) AT BEGINNING</b>												
OF YEAR	201,787	599,630	801,417	15,983	24,531	90	26,993	869,014	(9,233)	(174,057)	(183,290)	685,724
Debt service payments	(109,118)	-	(109,118)	-	-	-	-	(109,118)	-	109,118	109,118	-
Acquisition of property - purchases	(114,057)	170,170	56,113	(9,231)	(31,861)	-	(15,021)	-	-	-	-	-
Acquisition of property - donations	(2,184,093)	2,184,093	-	-	-	-	-	-	-	-	-	-
<b>NET ASSETS (DEFICIT) AT END OF YEAR</b>	<b>\$ 532,929</b>	<b>\$ 2,877,922</b>	<b>\$ 3,410,851</b>	<b>\$ 76,709</b>	<b>\$ 89,137</b>	<b>\$ -</b>	<b>\$ 46,103</b>	<b>\$ 3,622,800</b>	<b>\$ (12,747)</b>	<b>\$ (65,918)</b>	<b>\$ (78,665)</b>	<b>\$ 3,544,135</b>

ACADIANA LEGAL SERVICE CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS  
 TO EXECUTIVE DIRECTOR  
DECEMBER 31, 2018

Executive Director: Greg Landry

Purpose:

Salary	\$ 128,603
Benefits - insurance (Health, Vision, and Dental)	5,278
Benefits - other (Social/Medicare Taxes)	9,795
Benefits - other (Life Insurance and A/D&D)	381
Benefits - other (Disability Insurance)	1,605
Benefits - other (403b Employer Match)	3,858
Dues and fees	510
Mileage reimbursements	1,530
Per diem	382
Other reimbursements	305
Conference travel	3,963
Total	<u>\$ 156,210</u>

ACADIANA LEGAL SERVICE CORPORATION  
OTHER SUPPLEMENTARY INFORMATION  
SCHEDULE OF LSC FUNDING PASSED-THROUGH TO SUBRECIPIENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(UNAUDITED)

	Lafayette Parish Bar Foundation	Central Louisiana Pro Bono Project	Southwest Louisiana Bar Foundation	Shreveport Bar Foundation	Total
Salaries and wages	\$ 15,018	\$ 7,733	\$ 10,500	\$ 35,000	\$ 68,251
Employee benefits	-	748	-	-	748
Rent	-	1,321	-	-	1,321
Mortgage	3,500	-	-	5,000	8,500
Telephone	500	1,134	-	1,600	3,234
Training	-	-	-	-	-
Travel	1,000	-	-	300	1,300
Insurance	500	338	-	1,600	2,438
Litigation	500	-	-	-	500
Office expenses	-	610	3,124	1,200	4,934
Other expenses	-	-	-	300	300
	<u>\$ 21,018</u>	<u>\$ 11,884</u>	<u>\$ 13,624</u>	<u>\$ 45,000</u>	<u>\$ 91,526</u>

ACADIANA LEGAL SERVICE CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LSC EXCESS CARRYOVER FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Prior Year LSC Excess Carryover</u>
REVENUE AND SUPPORT	
Grant revenue	\$ -
Interest earnings	-
Donations	-
Other revenues	-
Total revenue and support	<u>-</u>
EXPENSES:	
Salaries and wages:	
Lawyers	-
Paralegals and law clerks	-
Non-lawyers	-
Employee benefits	-
Office rent and utilities	-
Equipment rentals and maintenance	-
Office supplies and expenses	-
Telephone	-
Travel and training	-
Depreciation	-
Library and other supplies	-
Insurance	-
Professional services	-
Contractual services	-
Membership fees	-
Litigation costs	-
Subgrant awards	-
Interest	-
Miscellaneous	-
Total expenses	<u>-</u>
Change in Net Assets	-
NET ASSETS AT BEGINNING OF YEAR	18,264
Debt service payments	-
Acquisition of property - purchases	(18,264)
Acquisition of property - donations	-
NET ASSETS AT END OF YEAR	<u>\$ -</u>



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

April 23, 2019

Board of Directors  
Acadiana Legal Service Corporation  
Lafayette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Acadiana Legal Service Corporation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statement of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 23, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Acadiana Legal Service Corporation's (the Corporation) 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 Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation'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.

***Duplantier, Hrapmann, Hogan & Maher, LLP***

New Orleans, Louisiana



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

April 23, 2019

Board of Directors  
Acadiana Legal Service Corporation  
Lafayette, Louisiana

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

We have audited Acadiana Legal Service Corporation's (the Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the Legal Services Corporation Audit Guide and Compliance Supplement (the Audit Guide) that could have a direct and material effect on each of the Corporation's major federal programs for the year ended December 31, 2018. The Corporation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

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## **Auditors' Responsibility**

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Corporation's compliance.

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

In our opinion, Acadiana Legal Service Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2018.

## **Report on Internal Control over Compliance**

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

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

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

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

***Duplantier, Hrapmann, Hogan & Maher, LLP***

New Orleans, Louisiana

**ACADIANA LEGAL SERVICE CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Federal Grantor/ Pass-Through Grantor/ Program Name	Grant Number	CFDA Number	Passed-through to Subrecipients	Federal Expenditures
<u>LEGAL SERVICES CORPORATION</u>				
Basic Field Grant	N/A	09.619051	\$ 91,526	\$ 3,155,945
Technology Initiative Grant	N/A	09.619051	-	1,589
			<u>91,526</u>	<u>3,157,534</u>
<u>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES ADMINISTRATION ON AGING</u>				
Title III, Part B - Supportive Services and Senior Centers				
Pass-through program from following agencies:				
Allen Council on Aging, Inc.	N/A	93.044	-	1,965
Beauregard Council on Aging, Inc.	N/A	93.044	-	1,046
Bienville Council on Aging, Inc.	N/A	93.044	-	349
Bossier Council on Aging, Inc.	N/A	93.044	-	2,180
Caddo Council on Aging	N/A	93.044	-	6,238
Cajun Area Agency on Aging, Inc.	N/A	93.044	-	12,160
Calcasieu Council on Aging, Inc.	N/A	93.044	-	4,579
Caldwell Parish Council on Aging	N/A	93.044	-	533
Cameron Council on Aging, Inc.	N/A	93.044	-	1,533
CENLA Area Agency on Aging, Inc.	N/A	93.044	-	10,894
Claiborne Council on Aging, Inc.	N/A	93.044	-	585
Desoto Council on Aging, Inc.	N/A	93.044	-	590
Jefferson Davis Council on Aging, Inc.	N/A	93.044	-	1,380
Lincoln Parish Council on Aging	N/A	93.044	-	571
Morehouse Parish Council on Aging, Inc.	N/A	93.044	-	676
Ouachita Council on Aging Inc.	N/A	93.044	-	2,130
Natchitoches Council on Aging, Inc.	N/A	93.044	-	2,099
North Delta Area Agency on Aging, Inc.	N/A	93.044	-	4,897
Red River Council on Aging, Inc.	N/A	93.044	-	235
Sabine Parish Council on Aging	N/A	93.044	-	1,815
Vernon Council on Aging	N/A	93.044	-	4,561
Webster Council on Aging, Inc.	N/A	93.044	-	1,192
West Carroll Council on Aging	N/A	93.044	-	30
			<u>-</u>	<u>62,238</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 91,526</u>	<u>\$ 3,219,772</u>

See the accompanying notes to the schedule of expenditures of federal awards.

ACADIANA LEGAL SERVICE CORPORATION  
LAFAYETTE, LOUISIANA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2018

1. BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards includes the federal award activity of the Acadiana Legal Service Corporation under programs of the federal government for the year ended December 31, 2018. The information in the schedule of expenditures of federal awards is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule of expenditures of federal awards presents only a selected portion of the operations of the Acadiana Legal Service Corporation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Acadiana Legal Service Corporation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accompanying schedule of expenditures of federal awards includes the federal award activity of Acadiana Legal Service Corporation and is presented on the accrual basis of accounting. Grant revenues are recorded, for financial reporting purposes, when Acadiana Legal Service Corporation has met the cost of reimbursement or funding qualifications for the respective grants.

3. DE MINIMUS COST RATE:

During the year ended December 31, 2018, the Corporation did not elect to use the 10% de minimus cost rate as covered in §200.414 of *The Uniform Guidance*.

ACADIANA LEGAL SERVICE CORPORATION  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of auditor's report issued: Unmodified

Internal Control Over Financial Reporting:

- Material weakness(es) identified? \_\_yes      X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_yes      X no

Noncompliance material to financial statements noted? \_\_yes      X no

Federal Awards:

Internal control over major programs:

- Material weakness(es) identified? \_\_yes      X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_yes      X no

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with §200.516 of *The Uniform Guidance*: \_\_yes      X no

Identification of major program:

CFDA Numbers  
09.619051

Name of Federal Program or Cluster  
Legal Services Corporation -  
Basic Field Grant and Technology Initiative Grant

- The threshold for distinguishing types A & B programs was program expenditures exceeding \$750,000.
- Acadiana Legal Service Corporation did not qualify as a low-risk auditee.

ACADIANA LEGAL SERVICE CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

FINDINGS REQUIRED TO BE REPORTED UNDER *GOVERNMENT AUDITING*  
*STANDARDS* GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA:

None

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

None

PRIOR YEAR FINDINGS:

None reported.

ACADIANA LEGAL SERVICE CORPORATION

LAFAYETTE, LOUISIANA

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED UPON PROCEDURES

DECEMBER 31, 2018

ACADIANA LEGAL SERVICE CORPORATION

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DECEMBER 31, 2018

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# Duplantier Hrapmann Hogan & Maher, LLP

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON PROCEDURES

April 18, 2019

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Board of Directors  
Acadiana Legal Service Corporation and  
Louisiana Legislative Auditor

We have performed the procedures enumerated below which were agreed to by Acadiana Legal Service Corporation (the Corporation) and the Louisiana Legislative Auditor, on the control and compliance areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures for the year ended December 31, 2018. The Corporation's management is responsible for the control and compliance areas identified in the Statewide Agreed-Upon Procedures.

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

The procedures and associated findings are as follows:

### Written Policies and Procedures

- 1) We obtained the entity's written policies and procedures and determined whether those written policies and procedures addressed each of the following financial/business functions, as applicable:
  - 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.

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- c) Disbursements, including processing, reviewing, and approving.
- d) Receipts, including receiving, recording, and preparing deposits.
- 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) Debit cards including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
- h) Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) Ethics - Not Applicable
- j) Debt Service – Not Applicable

No findings were noted.

### Collections

- 2) We obtained a listing of cash/ check/ money order (cash) collection locations and management's representation that the listing was complete.
- 3) Using the cash collection listing provided by management, we selected all of the entity's cash collection locations. For each cash location selected:
  - a) We obtained existing written documentation (e.g. insurance policy, policy manual, job description) and determined whether each person responsible for collecting cash was (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
  - b) We obtained existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and determined whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who was not responsible for cash collections in the cash collection location selected.
  - c) We selected the highest dollar week of cash collections from the general ledger or other accounting records during the fiscal period and:
    - i. Using entity collection documentation, deposit slips, and bank statements, we traced daily collections to the deposit date on the corresponding bank statement and determined whether the deposits were made within one day of collection. If deposits

were not made within one day of collection, we determined the number of days from receipt to deposit for each day at each collection location.

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

No findings were noted.

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

No findings were noted.

### **Payroll and Personnel**

- 5) We obtained a listing of employees (and elected officials, if applicable) with their related salaries, and obtained management's representation that the listing was complete. We randomly selected five employees/officials, obtained their personnel files, and:
  - a) Reviewed compensation paid to each employee during the fiscal period and determined whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
  - b) Reviewed changes made to hourly pay rates/salaries during the fiscal period and determined whether those changes were approved in writing and in accordance with written policy.

No findings were noted.

- 6) We obtained attendance and leave records and randomly selected one pay period in which leave has been taken by at least one employee. Within that pay period, we randomly selected one-third of employees/officials and:
  - a) Determined whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
  - b) Determined whether there was written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
  - c) Determined whether there was written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

No findings were noted.

- 7) We obtained from management a list of those employees/ officials that terminated during the fiscal period and management's representation that the list was complete. We selected the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtained the personnel files for the two employees/ officials. We determined whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

No findings were noted.

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

No findings were noted.

**Other**

- 9) We observed and determined whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

No findings were noted.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on the control and compliance areas identified in the Statewide Agreed-Upon Procedures. 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.

This report is intended solely to describe the scope of testing performed on those control and compliance areas identified in the Statewide Agreed-Upon Procedures, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, the report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

***Duplantier, Hrapmann, Hogan & Maher, LLP***

New Orleans, Louisiana