

BROADMOOR UNITED METHODIST PRESCHOOL

BATON ROUGE, LOUISIANA

FINANCIAL STATEMENTS

AND SUPPLEMENTARY INFORMATION

AS OF AND FOR THE YEAR ENDED

AUGUST 31, 2022



ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Management of
Broadmoor United Methodist Preschool
Baton Rouge, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Broadmoor United Methodist Preschool (a nonprofit organization), which comprise the statement of financial position as of August 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Broadmoor United Methodist Preschool as of August 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Broadmoor United Methodist Preschool and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Broadmoor United Methodist Preschool's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



Board of Directors and Management of
Broadmoor United Methodist Preschool

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Broadmoor United Methodist Preschool's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Broadmoor United Methodist Preschool's ability to continue as a going concern for a reasonable period of time.

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



Board of Directors and Management of
Broadmoor United Methodist Preschool

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included in Schedule “1” is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2023, on our consideration of Broadmoor United Methodist Preschool’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 effectiveness of Broadmoor United Methodist Preschool’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Broadmoor United Methodist Preschool’s internal control over financial reporting and compliance.

April 17, 2023
New Orleans, Louisiana

A handwritten signature in black ink that reads "Ericksen Krentel, LLP".

Certified Public Accountants

BROADMOOR UNITED METHODIST PRESCHOOL
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2022

ASSETS

ASSETS:

Cash and cash equivalents	\$ 1,393,036
Property and equipment, net	48,060
Other assets	<u>897</u>
 Total assets	 <u>\$ 1,441,993</u>

LIABILITIES AND NET ASSETS

LIABILITIES

\$ -

NET ASSETS:

Without donor restriction	<u>1,441,993</u>
 Total net assets	 <u>1,441,993</u>
 Total liabilities and net assets	 <u>\$ 1,441,993</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

BROADMOOR UNITED METHODIST PRESCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Revenues, gains, and other support:</u>			
Tuition and fees, net	\$ 921,243	\$ -	\$ 921,243
Grants	1,163,703	-	1,163,703
Other income	1,008	-	1,008
Released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
 Total revenues, gains, and other support	 <u>2,085,954</u>	 <u>-</u>	 <u>2,085,954</u>
<u>Expenses:</u>			
Program services	965,277	-	965,277
Supporting services:			
Administration	<u>119,512</u>	<u>-</u>	<u>119,512</u>
 Total expenses	 <u>1,084,789</u>	 <u>-</u>	 <u>1,084,789</u>
 Change in net assets	 1,001,165	 -	 1,001,165
 Beginning net assets	 <u>440,828</u>	 <u>-</u>	 <u>440,828</u>
 Ending net assets	 <u>\$ 1,441,993</u>	 <u>\$ -</u>	 <u>\$ 1,441,993</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

BROADMOOR UNITED METHODIST PRESCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2022

	Program Services	Administration	Total
	<u> </u>	<u> </u>	<u> </u>
Salaries, wages, and benefits	\$ 682,826	\$ 93,113	\$ 775,939
Instructional supplies	37,752	-	37,752
Student activities	91,896	-	91,896
Student services	899	-	899
Rent expense	88,000	-	88,000
Repairs and maintenance	17,955	-	17,955
Insurance	3,607	-	3,607
Depreciation	10,933	1,929	12,862
Professional fees	-	24,470	24,470
Office expense	31,409	-	31,409
	<u> </u>	<u> </u>	<u> </u>
	<u>\$ 965,277</u>	<u>\$ 119,512</u>	<u>\$ 1,084,789</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

BROADMOOR UNITED METHODIST PRESCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2022

CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:

Change in net assets	\$ 1,001,165
Adjustments to reconcile change in net assets to cash from operating activities:	
Depreciation expense	12,862
(Increase) decrease in:	
Other assets	<u>(897)</u>
Net cash from operating activities	<u>1,013,130</u>

CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES:

Purchases of property and equipment	<u>(42,657)</u>
Net cash (used for) investing activities	<u>(42,657)</u>
Net increase in cash and cash equivalents	970,473
Cash and cash equivalents, beginning of year	<u>422,563</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,393,036</u></u>

See accompanying NOTES TO FINANCIAL STATEMENTS

BROADMOOR UNITED METHODIST PRESCHOOL
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Broadmoor United Methodist Children's Learning Center (Broadmoor) is operated for the purpose of providing quality childcare and preschool education as openings are available in the Baton Rouge, Louisiana area. Broadmoor's primary sources of revenue are through tuition and fees and grants. Broadmoor is affiliated with the Broadmoor United Methodist Church (the Church).

Method of Accounting and Financial Reporting Framework

Assets and liabilities and revenues and expenses are recognized on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as promulgated by the Financial Accounting Standards Board (FASB).

Basis of Presentation

The financial statement presentation follows the recommendations of the FASB in its Accounting Standards Codification (ASC) 958-210-50-3, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-210-50-3, Broadmoor is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets With Donor Restrictions - The part of net assets of a not-for-profit entity that is subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

Net Assets Without Donor Restrictions - The part of net assets of a not-for-profit entity that is not subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, Broadmoor considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

BROADMOOR UNITED METHODIST PRESCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable for tuition and fees is reported at the amount management expects to collect on outstanding balances. The differences between the amount due and the amount management expects to collect are reported as bad debts using the direct write-off methods. Generally accepted accounting principles require that the allowance method be used to reflect bad debts. However, the effect of the use of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed. There were no outstanding accounts receivable at August 31, 2022 nor any write-offs for the year ending August 31, 2022.

Property and Equipment

Broadmoor follows the practice of capitalizing, at cost, all expenditures for fixed assets in excess of \$500. Depreciation is computed on a straight-line basis over the following estimated useful lives:

Furniture, fixtures, and equipment	5 Years
Leasehold improvements	15 Years

Revenue Recognition

Grants and contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Grants and contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the grant or contribution is recognized. All other donor restricted grants and contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions. There was no contributed property or equipment for the year ended August 31, 2022.

Broadmoor also receives revenues from tuition which is recognized at a specific point in time when the services are provided.

BROADMOOR UNITED METHODIST PRESCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of Broadmoor.

Income Tax Status

Broadmoor United Methodist Preschool is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under Section 121(5) of Title 47 of the Louisiana Revised Statutes of 1950. However, income from certain activities not directly related to Broadmoor's tax-exempt purpose may be subject to taxation as unrelated business income. In addition, Broadmoor qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

As of August 31, 2022, Broadmoor had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The 2019 through 2021 tax years remain subject to examination by the IRS. Broadmoor does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the financial statements.

New Accounting Pronouncements Adopted

The Financial Accounting Standards Board (FASB) issued Accounting Standard Update (Update) No. 2020-07, "*Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*" in September 2020. The new guidance seeks to increase transparency of contributed nonfinancial assets for not-for-profits (NFP) entities through enhancements to presentation and disclosure. This adoption had no material impact on the Institute's financial statements, except for increased disclosure.

Date of Management's Review

Subsequent events have been evaluated through April 17, 2023, which is the date the financial statements were available to be issued.

BROADMOOR UNITED METHODIST PRESCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2022

(2) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

At August 31, 2022, Broadmoor has financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures of \$1,393,036. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date.

Broadmoor's goal to maintain financial assets to meet three to four months of critical operating expenses, which includes salaries and rent. General expenditures are considered to be those necessary to deliver the preschool's programming and support general operations.

(3) PROPERTY AND EQUIPMENT AND DEPRECIATION

Costs of property and equipment consist of the following at August 31, 2022:

Furniture, fixtures, and equipment	\$	82,779
Leasehold improvements		<u>83,382</u>
		166,161
Less accumulated depreciation		<u>(118,101)</u>
Total	\$	<u>48,060</u>

Depreciation and amortization expense for the year ended August 31, 2022 was \$12,862.

(4) OPERATING LEASES

Broadmoor has entered into a month-to-month operating lease agreement with the Church at a rate of \$8,000 per month. This amount includes the office/school space, parking, electrical, maintenance, storage, and other overhead amenities. This agreement began September 1, 2020 and will continue for however long the partnership is mutually agreeable. Broadmoor has recorded \$88,000 of rent expense on the statement of activities for the year ended August 31, 2022.

Broadmoor had a 60-month operating lease for the rental and maintenance of a copier which expired on May 8, 2022. This lease required monthly payments of \$202. The total amount charged to office expense as a result of this lease for the year ended August 31, 2022 was \$2,337.

BROADMOOR UNITED METHODIST PRESCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AUGUST 31, 2022

(5) CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Broadmoor to concentrations of credit risk consist principally of cash and cash equivalents. Broadmoor maintains its cash and cash equivalents at one financial institution. The balances are insured by the U.S. Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The balances at times may exceed federally insured limits. At August 31, 2022, the cash balance in excess of insured amounts was \$1,143,425. Broadmoor has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

(6) RELATED PARTY TRANSACTION

The Church and Broadmoor share a member of each respective entity's board of directors. See Note 4 for more information on lease agreement with a related party.

(7) NEW ACCOUNTING PRONOUNCEMENTS

The Financial Accounting Standards Board (FASB) has issued Accounting Standards Update (Update) No. 2016-02, "*Leases*." This Update seeks to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and by disclosing key information about leasing arrangements. Deferring the effective date of Update No. 2016-02 to annual reporting periods beginning after December 15, 2020, the FASB issued Update No. 2019-10, "*Financial Instruments-Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Lease (Topic 842)*." The FASB further delayed the implementation date by one year through ASU 2020-05 "*Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842)*." Entities may now apply the guidance in Update No. 2016-02 to annual reporting periods beginning after December 15, 2021, and to interim reporting periods within annual reporting periods beginning after December 15, 2022. Broadmoor plans to adopt this Update as applicable by the effective date.

BROADMOOR UNITED METHODIST PRESCHOOL
SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED AUGUST 31, 2022

	<u>Cheri Coats</u>
Time served	9/1/21 through 08/31/22
Salary	<u>\$ 52,962</u>
Total compensation, benefits, and other payments	<u><u>\$ 52,962</u></u>



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

To the Board of Directors and Management of
Broadmoor United Methodist Preschool

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 Broadmoor United Methodist Preschool (a non-profit corporation), which comprise the statement of financial position as of August 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 17, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Broadmoor United Methodist Preschool's internal control over financial reporting (internal control) as a basis for designing 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 Broadmoor United Methodist Preschool's internal control. Accordingly, we do not express an opinion on the effectiveness of the Broadmoor United Methodist Preschool's internal control.

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

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



Board of Directors and Management of
Broadmoor United Methodist Preschool

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Broadmoor United Methodist Preschool'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance 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 responses costs as item 2022-001.

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 Broadmoor United Methodist Preschool'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 Broadmoor United Methodist Preschool's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

April 17, 2023
New Orleans, Louisiana

Certified Public Accountants



INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE FOR THE U.S. DEPARTMENT OF TREASURY CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS PROGRAM (CSLFRF) REQUIREMENTS FOR AN ALTERNATIVE CSLFRF COMPLIANCE EXAMINATION ENGAGEMENT

To the Board of Directors of and Management of
Broadmoor United Methodist Preschool
Baton Rouge, Louisiana

We have examined Broadmoor United Methodist Preschool's compliance with the compliance requirements "activities allowed or unallowed" and "allowable cost/cost principles" (the specified requirements) as described in Part IV "Requirements for an Alternative Compliance Examination Engagement for Recipients That Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds" of the CSLFRF section of the 2022 OMB *Compliance Supplement* (referred to herein as "Requirements for an Alternative CSLFRF Compliance Examination Engagement") during the year ended August 31, 2022. Management of Broadmoor United Methodist Preschool is responsible for Broadmoor United Methodist Preschool's compliance with the specified requirements. Our responsibility is to express an opinion on Broadmoor United Methodist Preschool's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA; the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in the "Requirements for an Alternative CSLFRF Compliance Examination Engagement." Those standards and requirements require that we plan and perform the examination to obtain reasonable assurance about whether Broadmoor United Methodist Preschool complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether Broadmoor United Methodist Preschool complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on Broadmoor United Methodist Preschool's compliance with specified requirements.

In our opinion, Broadmoor United Methodist Preschool complied, in all material respects, with the specified requirements referenced above during the year ended August 31, 2022.



ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Directors of and Management of
Broadmoor United Methodist Preschool

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud, and noncompliance with provisions of laws, regulations, contracts, or grant agreements that have a material effect on Broadmoor United Methodist Preschool's compliance with the specified requirements and any other instances that warrant the attention of those charged with governance. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on Broadmoor United Methodist Preschool's compliance with the specified requirements and not for the purpose of expressing an opinion on the internal control over the specified requirements or on compliance and other matters; accordingly, we express no such opinions. The results of our tests disclosed no matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this examination report is solely to express an opinion on whether Broadmoor United Methodist Preschool complied, in all material respects with the specified requirements referenced above during the year ended August 31, 2022. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

April 17 2023
New Orleans, Louisiana

Certified Public Accountants

BROADMOOR UNITED METHODIST PRESCHOOL
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED AUGUST 31, 2022

I. SUMMARY OF AUDITORS' REPORTS

1. The auditors' report expresses an unmodified opinion on the financial statements of Broadmoor United Methodist Preschool.
2. No significant deficiencies or material weaknesses in internal control relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Prepared in Accordance with *Government Auditing Standards*.
3. One instance of noncompliance was reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
4. No findings are reported in the Independent Accountant' Report on Compliance for the U.S. Department of Treasury Coronavirus State and Local Fiscal Recovery Funds Program (CSLFRF) Requirements for an Alternative CSLFRF Compliance Examination Engagement.
5. A management letter was not issued for the year ended August 31, 2022.

II. FINDINGS – FINANCIAL STATEMENT AUDIT

Finding 2022-001 Noncompliance with Louisiana Audit Law Reporting Requirements

Criteria: Broadmoor United Methodist Preschool is required to provide an annual financial report to the Louisiana Legislative Auditor no later than six months after its year end in accordance with Louisiana Revised Statutes 24:513 and 24:514.

Condition: Broadmoor United Methodist Preschool did not comply with these laws, submitting the required report after the required deadline.

Effect: Broadmoor United Methodist Preschool is not in compliance with Louisiana Revised Statutes 24:513 and 24:514.

Cause: Broadmoor United Methodist Preschool was not aware of the reporting requirements.

Recommendation: Broadmoor United Methodist Preschool should put additional policies and procedures in place over continuity planning for head administrative personnel to ensure that required annual reports are filed in a timely manner.

Views of Responsible Officials: Management agrees with the finding and has implemented the recommendation. See Management's Corrective Action plan for further information.

BROADMOOR UNITED METHODIST PRESCHOOL
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
FOR THE YEAR ENDED AUGUST 31, 2022

III. FINDINGS – COMPLIANCE ATTESTATION EXAMINATION ENGAGEMENT

There were no findings related to the compliance attestation examination engagement for the year ended August 31, 2022.

BROADMOOR UNITED METHODIST PRESCHOOL
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2022

I. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

NOT APPLICABLE

**II. FINDINGS RELATED TO COMPLIANCE ATTESTATION EXAMINATION
ENGAGEMENT**

NOT APPLICABLE

III. MANAGEMENT LETTER

NOT APPLICABLE

BROADMOOR UNITED METHODIST PRESCHOOL
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED AUGUST 31, 2022

April 17, 2023

Louisiana Legislative Auditor

Broadmoor United Methodist Preschool respectfully submits the following corrective action plan for the year ended August 31, 2022.

Name and address of independent public accounting firm:

Ericksen Krentel LLP
4227 Canal Street
New Orleans, LA 70119

Engagement Period: September 1, 2021 – August 31, 2022

The finding from the August 31, 2022 Schedule of Findings and Responses is discussed below. The finding is numbered consistently with the numbers assigned in the Schedule of Findings and Responses.

Finding 2022-001 Noncompliance with Reporting Requirements

Recommendation: Broadmoor United Methodist Preschool should put additional policies and procedures in place to ensure that required annual reports are filed in a timely manner.

Response: The Executive Director will work with the Board of Directors to draft and implement additional policies and procedures over financial accounting processes in order to ensure compliance with State reporting requirements.

If there are any questions regarding this plan, please call Cheri Coats, Executive Director, at (225) 926-5243.

Sincerely,



Cheri Coats
Executive Director
Broadmoor United Methodist Preschool