

**FDDOC Winners' Circle, Inc.
Shreveport, Louisiana**

Financial Statements

As of and for the Years Ended June 30, 2022 and 2021

FDDOC Winners' Circle, Inc.

Table of Contents

| | <u>Page No.</u> |
|--|-----------------|
| Independent Auditors' Report | 1 – 3 |
| Financial Statements | |
| Statements of Financial Position | 4 |
| Statements of Activities | 5 |
| Statements of Functional Expenses | |
| For the Year Ended June 30, 2022 | 6 |
| For the Year Ended June 30, 2021 | 7 |
| Statements of Cash Flows | 8 |
| Notes to Financial Statements | 9 – 14 |
| Supplemental Information | |
| Schedule of Compensation, Benefits, and Other Payments to Agency Head | 15 |
| Schedule of Expenditures of Federal Awards | 16 |
| 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 <i>Government Auditing Standards</i> | 17 – 18 |
| Report on Compliance for Each Major Program and Report on Internal Control over Compliance Required by the Uniform Guidance | 19 - 21 |
| Summary Schedule of Prior Audit Findings | 22 |
| Schedule of Findings and Questioned Costs | 22 – 23 |
| Schedule for Louisiana Legislative Auditor | 24 |
| Corrective Action Plan of Current Year Audit Findings | |

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Independent Auditors' Report

To the Board of Directors
FDDOC Winners' Circle, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of FDDOC Winners' Circle, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of FDDOC Winners' Circle, Inc. (a nonprofit organization) as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of FDDOC Winners' Circle, Inc. 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 the 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 FDDOC Winners' Circle, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS 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 FDDOC Winners' Circle, Inc.'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 FDDOC Winners' Circle, Inc.'s ability to continue as a going concern for a reasonable period of time.

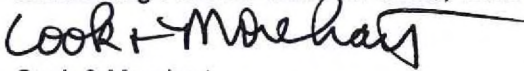
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information shown on page 15 is presented for the purpose of additional analysis and is not a required part of the financial statements of FDDOC Winners' Circle, Inc. The accompanying schedule of expenditures of federal awards, on page 16, as required by Title 2 U.S. *Code of Federal Regulations* part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 GAAS. 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 March 30, 2023, on our consideration of the FDDOC Winners' Circle, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of FDDOC Winners' Circle, Inc.'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 FDDOC Winners' Circle, Inc.'s internal control over financial reporting and compliance.



Cook & Morehart
Certified Public Accountants
March 30, 2023

FDDOC Winners' Circle, Inc.
 Statements of Financial Position
 June 30, 2022 and 2021

| | 2022 | 2021 |
|---|-------------------|-------------------|
| Assets | | |
| Current assets: | | |
| Cash | \$ 33,760 | \$ 10,031 |
| Contract receivable | 154,326 | 307,584 |
| Other receivable | 1,093 | 1,093 |
| Prepaid expenses | 3,219 | 3,144 |
| Current portion note receivable | 9,028 | 8,624 |
| Total current assets | 201,426 | 330,476 |
| Note receivable noncurrent | 137,064 | 145,366 |
| Fixed assets: | | |
| Equipment | 236,995 | 108,645 |
| Accumulated depreciation | (56,560) | (29,918) |
| Net property and equipment | 180,435 | 78,727 |
| Total Assets | \$ 518,925 | \$ 554,569 |
| Liabilities and Net Assets | | |
| Current liabilities: | | |
| Accounts payable | \$ 21,581 | \$ 74,408 |
| Note payable - related party | 50,000 | 95,000 |
| Total current liabilities | 71,581 | 169,408 |
| Net assets: | | |
| Without donor restrictions | 447,344 | 385,161 |
| Total net assets | 447,344 | 385,161 |
| Total Liabilities and Net Assets | \$ 518,925 | \$ 554,569 |

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

FDDOC Winners' Circle, Inc.
 Statements of Activities
 For the Years Ended June 30, 2022 and 2021

| | Without Donor Restrictions | |
|---|----------------------------|------------|
| | 2022 | 2021 |
| Revenues, Gains and Other Support: | | |
| Contractual revenue – grant | \$ 763,323 | \$ 709,567 |
| Donations and contributions | 91,500 | 13,500 |
| Other income | | 6 |
| Interest income | 8,193 | 7,548 |
| Total revenues, gains and other support | 863,016 | 730,621 |
| Expenses: | | |
| Program services | 742,765 | 659,175 |
| General administration | 58,068 | 59,027 |
| Total expenses | 800,833 | 718,202 |
| Change in net assets | 62,183 | 12,419 |
| Net assets as of beginning of year | 385,161 | 372,742 |
| Net assets as of end of year | \$ 447,344 | \$ 385,161 |

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

FDDOC Winners' Circle, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2022

| Expenses: | Program Services | General Administration | Total |
|-------------------------------------|---------------------|---------------------------|-------------------|
| Salaries and wages | \$ 482,958 | \$ 19,270 | \$ 502,228 |
| Employee benefits and payroll taxes | 40,386 | 1,611 | 41,997 |
| Professional services | 60,861 | 8,572 | 69,433 |
| Other services | 31,463 | | 31,463 |
| Program supplies | 61,459 | | 61,459 |
| Office expense | | 7,270 | 7,270 |
| Insurance | 4,496 | 2,241 | 6,737 |
| Office rent | 4,156 | 1,781 | 5,937 |
| Travel and training | 863 | 7,770 | 8,633 |
| Other | | 8,924 | 8,924 |
| Flight school expenses | 30,110 | | 30,110 |
| Depreciation | 26,013 | 629 | 26,642 |
| Total expenses | \$ 742,765 | \$ 58,068 | \$ 800,833 |

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

FDDOC Winners' Circle, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2021

| Expenses: | <u>Program Services</u> | <u>General Administration</u> | <u>Total</u> |
|-------------------------------------|-----------------------------|-----------------------------------|-----------------------|
| Salaries and wages | \$ 399,797 | \$ 16,995 | \$ 416,792 |
| Employee benefits and payroll taxes | 33,424 | 1,421 | 34,845 |
| Professional services | 65,829 | 10,480 | 76,309 |
| Other services | 12,937 | | 12,937 |
| Program supplies | 110,471 | | 110,471 |
| Office expense | | 14,838 | 14,838 |
| Maintenance and repairs | | 225 | 225 |
| Insurance | 4,717 | 2,043 | 6,760 |
| Office rent | 4,155 | 1,780 | 5,935 |
| Travel and training | 609 | 5,477 | 6,086 |
| Other | 5,148 | 3,940 | 9,088 |
| Flight school expense | 10,744 | | 10,744 |
| Depreciation | 11,344 | 1,828 | 13,172 |
| Total expenses | <u>\$ 659,175</u> | <u>\$ 59,027</u> | <u>\$ 718,202</u> |

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

FDDOC Winners' Circle, Inc.
Statements of Cash Flows
For the Years Ended June 30, 2022 and 2021

| | 2022 | 2021 |
|--|-----------|-----------|
| Operating Activities | | |
| Change in net assets | \$ 62,183 | \$ 12,419 |
| Adjustments to reconcile change in net assets to | | |
| Net cash provided by (used in) operating activities: | | |
| Depreciation | 26,642 | 13,172 |
| (Increase) decrease in operating assets: | | |
| Contract receivables | 153,258 | (257,537) |
| Other receivables | | (1) |
| Prepaid expenses | (75) | 346 |
| Increase (decrease) in operating liabilities: | | |
| Accounts payable | (52,827) | 61,776 |
| Net cash provided by (used in) operating activities | 189,181 | (169,825) |
| Investing Activities | | |
| Purchase of assets | (128,350) | (80,466) |
| Net cash (used in) investing activities | (128,350) | (80,466) |
| Financing Activities | | |
| Proceeds from note payable | 95,000 | 95,000 |
| Principal payments note payable | (140,000) | |
| Collection of note receivable | 7,898 | 7,536 |
| Net cash provided by (used in) financing activities | (37,102) | 102,536 |
| Net increase (decrease) in cash and cash equivalents | 23,729 | (147,755) |
| Cash and cash equivalents as of beginning of year | 10,031 | 157,786 |
| Cash and cash equivalents as of end of year | \$ 33,760 | \$ 10,031 |

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

FDDOC Winners' Circle, Inc.
Notes to Financial Statements
June 30, 2022 and 2021

(1) Summary of Significant Accounting Policies

A. Nature of Activities

FDDOC Winners' Circle, Inc. (FDDOC) is a nonprofit corporation organized under the laws of the State of Louisiana. The organization was established to educate at-risk children in inner-city neighborhoods.

The support for FDDOC comes primarily from federal funds passed through a contract-grant from the State of Louisiana, Department of Education and private donations.

The contract-grant that was funded through the State of Louisiana, Department of Education, ended August 31, 2022. FDDOC did not reapply for the contract.

B. Basis of Accounting

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

C. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards. Under those standards, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the organization. These net assets may be used at the discretion of FDDOC's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of FDDOC or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. FDDOC has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

D. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

(Continued)

FDDOC Winners' Circle, Inc.
Notes to Financial Statements
June 30, 2022 and 2021
(Continued)

E. Cash and Cash Equivalents

Cash equivalents, as stated for cash flow purposes, consist of non-interest bearing bank accounts and short term highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

F. Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Property and equipment acquisitions are capitalized if they are in excess of \$5,000. Depreciation is computed using the straight-line method over the estimated useful life of each asset. The funding sources and the federal government may have a reversionary interest in certain property purchased with those funds. Its disposition as well as the ownership of any proceeds therefrom is subject to certain funding source regulations.

G. Revenue and Support

Donations and contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Contractual grant revenue is reported as without donor restrictions due to the restrictions placed on those funds by the funding sources being met in the same reporting period as the revenue is earned.

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

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

H. Income Tax Status

FDDOC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the organization's tax-exempt purpose is subject to taxation as unrelated business income. FDDOC had no such income during this audit period. The Forms 990, "Return of Organization Exempt from Income Taxes", for FDDOC for the years ended June 30, 2019, 2020, 2021, and 2022 are subject to examination by the IRS, generally for three years after they were filed.

I. Donated Assets

Non-cash donations are recorded as contributions at their estimated fair value at the date of donation.

(Continued)

FDDOC Winners' Circle, Inc.
Notes to Financial Statements
June 30, 2022 and 2021
(Continued)

J. Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair market value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions.

K. Functional Expense

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

L. Note Receivable

Note receivable at June 30, 2022 and 2021 represents an amount loaned from the sale of real estate and building previously owned by FDDOC. The note is collateralized by a mortgage on the land and buildings.

Management has reviewed the outstanding note for collectability. No reserve was considered necessary for estimated losses on the note.

(2) Concentrations of Credit Risk

Financial instruments that potentially subject FDDOC to concentrations of credit risk consist principally of temporary cash investments and contract receivables.

Concentrations of credit risk with respect to contract receivables are limited due to these amounts being due from a governmental agency under contractual terms. As of June 30, 2022 and 2021, FDDOC had no significant concentrations of credit risk in relation to contract receivables.

FDDOC maintains cash balances at local financial institutions. Accounts at those institutions are insured by the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC) up to certain limits. At June 30, 2022 and 2021 there were no uninsured balances at those institutions.

(3) Contract Receivable

A funding source provides reimbursement of allowable costs under a contract or agreement. This balance represents an amount due from the funding source at June 30, 2022 and 2021 but not received until after those dates.

(Continued)

FDDOC Winners' Circle, Inc.
Notes to Financial Statements
June 30, 2022 and 2021
(Continued)

(4) Note Receivable

Note receivable consisted of the following:

| | June 30 | |
|---|-------------------|-------------------|
| | 2022 | 2021 |
| 5.00% promissory note receivable dated February 28, 2019; original amount \$170,000; due in 180 equal installments of \$1,344 per month, principal and interest. Secured by a mortgage on land and buildings. | \$ 146,092 | \$ 153,990 |
| Less current portion of note receivable | <u>(9,028)</u> | <u>(8,624)</u> |
| Note receivable, non-current portion | <u>\$ 137,064</u> | <u>\$ 145,366</u> |

Annual maturities of the note receivable are as follows:

| Year Ending June 30 | Amount |
|------------------------|-------------------|
| 2023 | \$ 9,028 |
| 2024 | 9,490 |
| 2025 | 9,975 |
| 2026 | 10,486 |
| 2027 | 11,022 |
| After 2027 | <u>96,091</u> |
| | <u>\$ 146,092</u> |

Interest received on the note receivable for the years ended June 30, 2022 and 2021 was \$6,886 and \$7,248, respectively.

(5) Fixed Assets

A summary of fixed assets as of June 30, 2022 follows:

| | Estimated Useful Life | Cost/ Basis | Accumulated Depreciation |
|-----------|--------------------------|-------------------|-----------------------------|
| Equipment | 3-10 years | <u>\$ 236,995</u> | <u>\$ 56,560</u> |

Depreciation expense for the year ended June 30, 2022 was \$26,642.

A summary of fixed assets as of June 30, 2021 follows:

| | Estimated Useful Life | Cost/ Basis | Accumulated Depreciation |
|-----------|--------------------------|-------------------|-----------------------------|
| Equipment | 3-10 years | <u>\$ 108,645</u> | <u>\$ 29,918</u> |

Depreciation expense for the year ended June 30, 2021 was \$13,172.

FDDOC Winners' Circle, Inc.
Notes to Financial Statements
June 30, 2022 and 2021
(Continued)

(6) Contractual Revenue – Grants

FDDOC has contracts—agreements of federal funds, passed through the State of Louisiana, Department of Education, to provide academic assistance, enrichment, recreation, technology, and tutoring for K–12 students and their families. Amounts earned under these contracts for the years ended June 30, 2022 and 2021 were \$763,323 and \$709,567, respectively. The continued existence of these contracts are subject to contract renewals. FDDOC currently has a contract through August 31, 2022. FDDOC did not reapply for the contract after August 31, 2022.

(7) Leases

FDDOC leases facilities and equipment under operating leases for office space. The rental costs on those leases for the years ended June 30, 2022 and 2021 were \$6,720 and \$6,690, respectively. Commitments under lease agreements having initial or remaining non-cancellable terms in excess of one year are as follows:

| Year Ended <u>June 30</u> | <u>Amount</u> |
|------------------------------|-----------------|
| 2023 | \$ 2,340 |
| 2024 | <u>585</u> |
| Total future minimum rentals | <u>\$ 2,925</u> |

(8) Subsequent Events

Subsequent events have been evaluated through March 30, 2023, the date the financial statements were available to be issued.

(9) Note Payable – Related Party

FDDOC borrowed from a board member during the years ended June 30, 2022 and 2021. The amount outstanding at June 30, 2022 and 2021 was \$50,000 and \$95,000, respectively. This note was unsecured, with 0% interest rate. The loan was repaid in full during July, 2022.

FDDOC Winners' Circle, Inc.
Notes to Financial Statements
June 30, 2022 and 2021
(Continued)

(10) Liquidity and Availability of Financial Assets

FDDOC monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. FDDOC has the following financial assets that could readily be made available within one year of the balance sheet to fund expenses without limitations for the years ended June 30, 2022 and 2021:

| | 2022 | 2021 |
|--|------------|------------|
| Financial assets at year-end: | | |
| Cash and cash equivalents | \$ 33,760 | \$ 10,031 |
| Receivables | 155,419 | 308,677 |
| Note receivable | 146,092 | 153,990 |
| Total financial assets | 335,271 | 472,698 |
| Less amounts not available to be used within one year | (137,064) | (145,366) |
| Financial assets available to meet cash needs for general expenditures within one year | \$ 198,207 | \$ 327,332 |

In addition to financial assets available to meet general expenditures over the year, FDDOC operates with a balanced budget and anticipates covering its general expenditures using the income generated from contractual agreements with governmental agencies and contributions. The Statement of Cash Flows identifies the sources and uses of FDDOC's cash and shows negative cash generated by operations of \$169,825 for fiscal year ended June 30, 2021 and positive cash generated by operations of \$189,181 for fiscal year ended June 30, 2022.

FDDOC Winners' Circle, Inc.
Shreveport, Louisiana
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended June 30, 2022

Agency Head: Barri Chandler, Program Director

| <u>Purpose</u> | <u>Amount</u> |
|-------------------|---------------|
| Salary | \$ 40,100 |
| Registration fees | 579 |
| Conference travel | 1,264 |

FDDOC Winners' Circle, Inc.
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2022

| <u>Federal Grantor / Pass-Through Grantor / Program Title</u> | <u>Federal Assistance Listing Number</u> | <u>Pass-Through Entity Identifying Number</u> | <u>Expenditures</u> |
|---|--|---|---------------------|
| <u>U.S. Department of Education</u> | | | |
| Passed through the Louisiana Department of Education | | | |
| Twenty-First Century Community Learning Center: | 84.287 | 31007897001 | <u>\$ 763,323</u> |

NOTE A: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of FDDOC Winners' Circle, Inc. under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of FDDOC Winners' Circle, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of FDDOC Winners' Circle, Inc.

NOTE B: Summary of Significant Accounting Policies

- (1) The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting.
- (2) FDDOC Winners' Circle, Inc. did not elect to use the 10 percent de minimus indirect cost rate.
- (3) There were no amounts provided to subrecipients.

COOK & MOREHART

Certified Public Accountants

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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*

Independent Auditors' Report

To the Board of Directors
FDDOC Winners' Circle, Inc.
Shreveport, 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 (*Government Auditing Standards*), the financial statements of FDDOC Winners' Circle, Inc., (a nonprofit organization), which comprise the statement of financial position as of June 30, 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 March 30, 2023.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

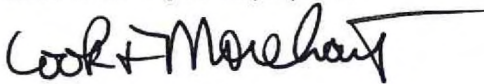
As part of obtaining reasonable assurance about whether FDDOC Winners' Circle, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described the accompanying Schedule of Findings and Questioned Costs as item 2022-001.

Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the FDDOC Winners' Circle, Inc.'s response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The FDDOC Winners' Circle, Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on the response.

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



Cook & Morehart
Certified Public Accountants
March 30, 2023

COOK & MOREHART

Certified Public Accountants

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Report on Compliance For Each Major Program and on Internal
Control Over Compliance Required by the Uniform Guidance

Independent Auditors' Report

To the Board of Directors
FDDOC Winners' Circle, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited FDDOC Winners' Circle, Inc.'s, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on FDDOC Winners' Circle, Inc.'s major federal program for the year ended June 30, 2022. FDDOC Winners' Circle, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, FDDOC Winners' Circle, Inc. complied in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of FDDOC Winners' Circle, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of FDDOC Winners' Circle, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to FDDOC Winners' Circle, Inc.'s federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on FDDOC Winners' Circle, Inc.'s compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about FDDOC Winners' Circle, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgement and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 FDDOC Winners' Circle, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of FDDOC Winners' Circle, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 FDDOC Winners' Circle, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

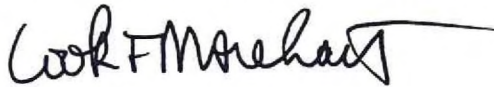
Report on Internal Control Over Compliance

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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Cook & Morehart", with a long horizontal flourish extending to the right.

Cook & Morehart
Certified Public Accountants
March 30, 2023

FDDOC Winners' Circle, Inc.
Summary Schedule of Prior Audit Findings
June 30, 2022

There were no findings or questioned costs for the audit for the year ended June 30, 2021.

Schedule of Findings and Questioned Costs
June 30, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of audit report issued : Unmodified

Internal control over financial reporting :

Material weaknesses identified :

_____ yes v no

Significant deficiencies identified :

_____ yes v none reported

Noncompliance material to financial
statements noted :

 v yes _____ no

Federal Awards

Internal control over major programs :

Material weaknesses identified :

_____ yes v no

Significant deficiencies identified :

_____ yes v none reported

Type of auditors' report issued on compliance
for major federal programs : Unmodified

Any audit findings disclosed that are required to
be reported in accordance with section 2 CFR
200.516 (a):

_____ yes v no

Identification of major federal programs :

Twenty-First Century Community Learning Center ALN# 84.287

Dollar threshold used to distinguish between
type A and type B programs : \$750,000

Auditee qualified as low risk :

_____ yes v no

(Continued)

FDDOC Winners' Circle, Inc.
Summary Schedule of Prior Audit Findings
June 30, 2022
(Continued)

Section II – Financial Statement Findings:

2022-001 Finding – Late Submission of Audit

Finding: The audit report for the year ended June 30, 2022 was not submitted timely in accordance with the state law.

Criteria: State law requires reports to be submitted no later than six months after the Entity's year end.

Cause: Accounting records and other information was not complete in order to begin the audit in a timely manner.

Effect: The Entity's audit report was not submitted timely in accordance with state law.

Recommendation: We recommend the Entity establish appropriate controls for ensuring the required reports will be submitted timely in the future.

Views of Responsible Officials and Planned Corrective Actions: The Entity will implement procedures for ensuring the required reports are submitted timely in the future.

Section III - Federal Award Findings and Questioned Costs - None

FDDOC Winners' Circle, Inc.
Shreveport, Louisiana
Schedule for Louisiana Legislative Auditor
June 30, 2022

Summary Schedule of Prior Audit Findings

There were no management letter comments or findings for the prior year audit for the year ended June 30, 2021.

Summary Schedule of Current Year Audit Findings

There is one finding for the current year audit for the year ended June 30, 2022, as described in the Schedule of Findings and Questioned Costs.



CORRECTIVE ACTION PLAN

March 30, 2023

FDDOC Winners' Circle, Inc. respectfully submits the following corrective action plan for the year ended June 30, 2022.

Name and address of independent public accounting firm:

Cook & Morehart, CPAs
1215 Hawn Ave
Shreveport, LA 71107

Audit period: Year ended June 30, 2022.

FINDINGS – FINANCIAL STATEMENTS AUDIT

2022-001

Recommendation:

The Entity establish appropriate controls for ensuring the required reports will be submitted timely in the future.

Action Taken:

FDDOC will implement procedures for ensuring the required reports are submitted timely in the future

If additional information is needed, please contact me at (318) 212-1846.

Sincerely,

Kendra Miletello
Board Chairman

COOK & MOREHART

Certified Public Accountants

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Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Board of Directors
FDDOC Winners' Circle, Inc.
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. FDDOC Winners' Circle, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

FDDOC Winners' Circle, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collection for each type of revenue or agency fund additions (including periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

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

Management provided written policies and procedures addressing all of the above, as applicable.

Board or Finance Committee

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

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

The Board of Directors for FDDOC Winners Circle, Inc. met in accordance with the organization's bylaws.

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

Board minutes referenced financial activity relating to public funds.

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

FDDOC Winners' Circle, Inc. is not a governmental entity.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

Management provided the requested information, along with management's representation that the listing is complete.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Bank reconciliations selected included evidence that they were prepared within 2 months of the related statement closing date.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Bank reconciliations selected included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

For the accounts selected, there were no items outstanding more than 12 months.

Collections

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

Management provided the requested information, along with management's representation that the listing is complete.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Cash drawers/registers are not used, due to no currency being collected by the organization.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

The employee responsible for collecting is responsible for preparing/making bank deposits; however, another employee is responsible for reconciling collection documentation to the deposit.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

The employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

The employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

All employees are covered under a blanket theft policy.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

FDDOC Winners' Circle, Inc. does not utilize sequentially pre-numbered receipt books.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

For the deposits selected for testing, collection documentation was traced to the deposit slips.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

For the deposits selected for testing, the actual deposit was traced to the bank statement.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe drawer).

For the deposits selected for testing, there was evidence that the deposits were made within one business day

- e) Trace the actual deposit per the bank statement to the general ledger.

For the deposits selected for testing, all were traced to the general ledger.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Management provided the requested information, along with management's representation that the listing is complete.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

- b) At least two employees are involved in processing and approving payments to vendors.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

FDDOC Winners' Circle, Inc.'s written policies and procedures and employee job duties provide for the segregation of duties as noted above.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Management provided the requested information, along with management's representation that the listing is complete. For the transactions selected for testing, the disbursement matched the related original invoice and included evidence of segregation of duties.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Management provided the requested information, along with management's representation that the listing is complete.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.].

For each card selected for testing, there were attributes indicating that someone other than the authorized card holder reviewed and approved the monthly statements and supporting documentation for the items selected for testing.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

None of the statements selected for testing contained finance charges and or late fees.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public

purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny. For each transaction, report whether the transaction is supported by:

- 1) An original itemized receipt (i.e., identifies precisely what was purchased)

Transactions tested were supported by original itemized receipts.

- 2) Written documentation of the business/public purpose.

Transactions tested were supported with the business purpose documentation.

- 3) Documentation of the individuals participating in meals (for meal charges only).

Transactions selected for testing were supported by individuals participating in the meals.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

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

Procedures performed, no exceptions noted.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Contracts selected for testing were not subject to the Louisiana Public Bid Law.

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

Contracts tested were approved in accordance with the organization's policy.

c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

The contracts selected for testing were not amended.

d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

For the invoices selected for testing, invoices agreed to the contract terms, and the related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

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

Management provided the requested information, along with management's representation that the listing is complete. For the 5 employees selected for testing, the paid salaries agreed with the authorized salaries/pay rates in the personnel files.

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

a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

For the transactions selected for testing, daily attendance and leave was documented.

b) Observe that supervisors approved the attendance and leave of the selected employees or officials.

For the transactions selected for testing, daily attendance and leave was documented.

c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

For the transactions selected for testing, leave accrued or taken was reflected in cumulative leave records.

d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

For the transactions selected for testing, the rate of pay to the employees agreed to the authorized salary/pay rate found within the personnel file.

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

FDDOC Winners' Circle, Inc. did not pay out any termination payments during the fiscal period.

19. Obtain management's representation that employer and employee portions of third party payroll

related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc) have been paid, and any associated forms have been filed, by required deadlines.

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

Ethics

Not applicable to nonprofit organizations.

Debt Service

Not applicable to nonprofit organizations.

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Management of FDDOC Winners' Circle, Inc. represented that there were no misappropriations of public funds and assets during the fiscal period.

24. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds

We observed that FDDOC Winners' Circle, Inc. has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud waste, or abuse of public funds.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

Sexual Harassment

Not applicable to FDDOC Winners' Circle, Inc.

We were engaged by FDDOC Winners' Circle, Inc., to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

A handwritten signature in black ink, appearing to read "Cook & Morehart", with a stylized flourish at the end.

Cook & Morehart
Certified Public Accountants
March 30, 2023