

IRIS DOMESTIC VIOLENCE CENTER
Baton Rouge, Louisiana

AUDITED FINANCIAL STATEMENTS
December 31, 2021 and 2020



TWRU

CPAs & Financial Advisors

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Iris Domestic Violence Center
Baton Rouge, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Iris Domestic Violence Center (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, 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 financial statements present fairly, in all material respects, the financial position of Iris Domestic Violence Center as of December 31, 2021 and 2020, 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 audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Iris Domestic Violence Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Iris Domestic Violence Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 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 Iris Domestic Violence Center '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 Iris Domestic Violence Center '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 schedule of expenditures of federal awards, 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 auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits, and other payments to agency head on page 14 is required by the Louisiana Revised Statute 24:513(A)(3) and is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of compensation, benefits, and other payments to agency head or chief executive officer are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements of 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 basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2022, on our consideration of Iris Domestic Violence Center '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 Iris Domestic Violence Center '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 Iris Domestic Violence Center 's internal control over financial reporting and compliance.

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CPAs & Financial Advisors
Baton Rouge, Louisiana
September 28, 2022



IRIS DOMESTIC VIOLENCE CENTER
Baton Rouge, Louisiana

STATEMENTS OF FINANCIAL POSITION
(See Notes to Financial Statements)
December 31, 2021 and 2020

	<u>ASSETS</u>	
	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and Cash Equivalents	\$ 251,223	388,939
Grants Receivable	684,526	150,222
Other Receivables	990	149
Prepaid Expenses	14,211	21,955
Other Current Assets	8,802	9,509
TOTAL CURRENT ASSETS	959,752	570,774
PROPERTY AND EQUIPMENT		
Furniture, Fixtures and Equipment	407,231	407,231
Building	2,331,180	2,197,466
TOTAL PROPERTY AND EQUIPMENT	2,738,411	2,604,697
Less Accumulated Depreciation	(1,235,573)	(1,176,087)
Land	1,502,838	1,428,610
	45,000	45,000
NET PROPERTY AND EQUIPMENT	1,547,838	1,473,610
OTHER ASSETS		
Deposits	6,293	6,293
TOTAL ASSETS	<u>\$ 2,513,883</u>	<u>\$ 2,050,677</u>

LIABILITIES AND NET ASSETS

	<u>2021</u>	<u>2020</u>
CURRENT LIABILITIES		
Accounts Payable	\$ 9,750	26,296
Payroll Liabilities	35,898	29,134
Line of Credit	-	105,000
Accrued Expenses	-	1,133
PPP Loan, Current Portion	7,726	29,499
TOTAL CURRENT LIABILITIES	<u>53,374</u>	<u>191,062</u>
NON CURRENT LIABILITIES		
PPP Loan, Net of Current Portion	19,354	120,201
Repayment of Grant Funds Not Used	37,134	37,134
TOTAL NON CURRENT LIABILITIES	<u>56,488</u>	<u>157,335</u>
TOTAL LIABILITIES	109,862	348,397
NET ASSETS		
Without Donor Restrictions	2,075,269	1,565,319
With Donor Restrictions	328,752	136,961
TOTAL NET ASSETS	<u>2,404,021</u>	<u>1,702,280</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,513,883</u>	<u>\$ 2,050,677</u>

IRIS DOMESTIC VIOLENCE CENTER
Baton Rouge, Louisiana

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
(See Notes to Financial Statements)
For the Years Ended December 2021 and 2020

	2021	2020
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES		
Grants:		
Federal	\$ 1,208,310	\$ 668,177
Local	279,627	307,548
State	126,338	44,941
Non Governmental	54,691	75,000
Contributions	90,679	113,315
Fundraising Projects	-	1,500
In-Kind Donations	157,974	143,284
Other Income	23,573	4,000
Net Assets Released from Restrictions	80,009	-
Total Revenues Without Donor Restrictions	2,021,201	1,357,765
EXPENSES		
Program Services:		
Residential Services	1,074,186	1,001,318
Education and Training	10,640	11,138
Legal Services	62,493	64,837
Outreach	126,791	98,781
Supporting Services:		
General and Administrative	185,921	167,781
Fundraising	19,543	19,829
Total Expenses	1,479,574	1,363,685
OTHER INCOME (EXPENSES)		
Interest Income	5,889	4,861
PPP Loan Forgiveness	120,406	-
In Kind Donations	(157,973)	(143,284)
Total Other Income (Expense)	(31,678)	(138,423)
(Decrease) Increase in Net Assets Without Donor Restrictions	509,949	(144,343)
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Grant Revenue	271,800	45,000
Net Assets Released from Restrictions	(80,009)	-
Increase (Decrease) in Net Assets With Donor Restrictions	191,791	45,000
(Decrease) Increase in Net Assets	701,740	(99,343)
Net Assets, Beginning of year	1,702,281	1,801,624
Net Assets, End of year	\$ 2,404,021	\$ 1,702,281

IRIS DOMESTIC VIOLENCE CENTER
Baton Rouge, Louisiana

STATEMENT OF FUNCTIONAL EXPENSES
(See Notes to Financial Statements)
For the Year Ended December 31, 2021

	Program Services				Fundraising	General & Administrative	Total Expense
	Residential Services	Education & Training	Legal Services	Outreach Services			
Salaries	\$ 155,146	\$ 2,336	\$ 8,350	\$ 13,512	\$ 4,119	\$ 22,491	\$ 205,954
Hourly Wages	341,523	6,144	10,253	32,216	7,962	-	398,098
Contract Attorneys	61,900	-	35,469	-	-	-	97,369
Employee Benefits	18,842	80	-	651	846	21,887	42,306
Payroll Taxes	41,987	503	1,161	2,873	979	1,452	48,955
Advertising	-	-	-	-	-	2,962	2,962
Supplies	4,671	-	-	2	-	44	4,717
Financial Assistance	32,374	-	381	19,689	-	-	52,444
Occupancy - Rent	12,545	-	-	3,055	-	-	15,600
Flexible Housing	63,289	-	-	42,727	-	-	106,016
Professional Fees	18,926	-	6,879	-	-	69,208	95,013
Computer Support	14,752	603	-	2,890	1,625	1,699	21,570
Credit Card & Other Service Charges	323	-	-	-	72	95	490
Depreciation	59,487	-	-	-	-	-	59,487
Dues & Subscriptions	1,820	-	-	-	-	173	1,993
Equipment Rental	5,234	-	-	-	-	3,918	9,152
Fundraising	-	-	-	-	1,055	-	1,055
Insurance	80,263	-	-	-	-	8,686	88,949
Interest Expenses	8,411	-	-	-	-	-	8,411
Office Supplies	8,543	148	-	16	-	6,047	14,754
Other Expenses	20,203	826	-	3,958	2,226	2,324	29,537
Postage & Delivery	182	-	-	-	659	233	1,074
Property Taxes	261	-	-	63	-	-	324
Repairs & Maintenance	63,079	-	-	-	-	2,582	65,661
Telephone	18,321	-	-	2,173	-	5,117	25,611
Travel Expenses	-	-	-	-	-	251	251
Utilities	42,106	-	-	2,964	-	36,752	81,821
	<u>\$ 1,074,186</u>	<u>\$ 10,640</u>	<u>\$ 62,493</u>	<u>\$ 126,791</u>	<u>\$ 19,543</u>	<u>\$ 185,921</u>	<u>\$ 1,479,574</u>

IRIS DOMESTIC VIOLENCE CENTER
Baton Rouge, Louisiana

STATEMENT OF FUNCTIONAL EXPENSES
(See Notes to Financial Statements)
For the Year Ended December 31, 2020

	Program Services				Fundraising	General & Administrative	Total Expense
	Residential Services	Education & Training	Legal Services	Outreach Services			
Salaries	\$ 126,937	\$ 1,911	\$ 6,832	\$ 11,056	\$ 3,370	\$ 18,401	\$ 168,507
Hourly Wages	366,944	6,601	11,016	34,615	8,555	-	427,731
Contract Attorneys	67,920	-	38,919	-	-	-	106,839
Employee Benefits	24,394	104	-	843	1,095	28,337	54,773
Payroll Taxes	40,106	480	1,109	2,744	935	1,387	46,762
Supplies	921	-	-	-	-	9	930
Financial Assistance	48,187	-	325	33,204	-	-	81,717
Occupancy - Rent	12,545	-	-	3,055	-	-	15,600
Professional Fees	18,257	-	6,636	-	-	66,762	91,655
Computer Support	37,493	1,534	-	7,345	4,131	4,318	54,821
Credit Card & Other Service Charges	593	-	-	-	131	174	899
Depreciation	62,562	-	-	-	-	-	62,562
Equipment Rental	6,695	-	-	-	-	5,012	11,707
Fundraising	-	-	-	-	450	-	450
Insurance	78,314	-	-	-	-	8,475	86,789
Interest Expenses	9,123	-	-	-	-	-	9,123
Office Supplies	6,443	111	-	12	-	4,576	11,143
Other Expenses	9,539	390	-	1,869	1,051	1,099	13,947
Postage & Delivery	30	-	-	-	108	38	176
Property Taxes	138	-	-	34	-	-	172
Repairs & Maintenance	40,080	-	-	-	-	1,641	41,721
Telephone	18,312	-	-	2,172	-	5,114	25,598
Travel Expenses	79	7	-	25	2	1	114
Utilities	25,705	-	-	1,808	-	22,436	49,949
	<u>\$ 1,001,318</u>	<u>\$ 11,138</u>	<u>\$ 64,837</u>	<u>\$ 98,781</u>	<u>\$ 19,829</u>	<u>\$ 167,781</u>	<u>\$ 1,363,686</u>

IRIS DOMESTIC VIOLENCE CENTER
Baton Rouge, Louisiana

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
(See Notes to Financial Statements)
For the Years Ended December 2021 and 2020

	2021	2020
CASH FLOW FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 701,740	\$ (99,344)
Adjustments to Reconcile Change in Net Assets to Net Cash		
Depreciation	59,487	62,563
Gain on PPP Debt Extinguishment	(120,406)	-
Receipt of Donated Property Included in Revenues Without Donor Restrictions	-	-
Decrease (Increase) in Assets:		
Grants Receivable	(534,304)	63,665
Other Receivables	(841)	2,241
Prepaid Expenses & Other Current Assets	8,451	(1,385)
Deposits	-	(3,082)
(Decrease) Increase in Liabilities:		
Accounts Payable	(16,545)	(30,555)
Accrued Expenses and Payroll Liabilities	5,631	(18,680)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	103,213	(24,577)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(133,715)	-
NET CASH USED BY INVESTING ACTIVITIES	(133,715)	-
CASH FLOW FROM FINANCING ACTIVITIES		
(Repayments to) Receipts from Line of Credit	(105,000)	(150)
(Repayments) Proceeds from PPP Loan	(2,214)	149,700
NET CASH (USED) PROVIDED BY FINANCING ACTIVITIES	(107,214)	149,550
Net Increase in Cash and Cash Equivalents	(137,716)	124,973
Cash and Cash Equivalents at Beginning of Year	388,939	263,966
Cash and Cash Equivalents at End of Year	\$ 251,223	\$ 388,939
Supplemental Disclosure of Cash Flow Information		
Interest Paid	\$ 8,411	\$ 9,123

IRIS DOMESTIC VIOLENCE CENTER
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations – Iris Domestic Violence Center is a Louisiana non-profit agency incorporated in 1984 to administer programs to assist battered women and their children in the Baton Rouge area and six other surrounding parishes. Such programs include a 24-hour hotline, counseling, advocacy, education, training, legal, and temporary emergency shelter. Iris Domestic Violence Center is supported by primarily through donor contributions, Federal, State, and Local grants and contracts, and contributions from the Capital Area United Way.

Basis of Accounting – Iris Domestic Violence Center prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United State of America. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Basis of Financial Statement Presentation – Iris Domestic Violence Center reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates that resources be maintained in perpetuity. Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of Iris Domestic Violence Center, the environment in which it operates, the purposes specified in corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Iris Domestic Violence Center has both net assets without donor restrictions and net assets with donor restrictions as of December 31, 2021 and 2020 .

Revenue Recognition – Revenue is recognized when earned. Grants, program service fees, and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. There were no conditional promises for the years ended December 31, 2021 and 2020.

Revenue With and Without Donor Restrictions – Contributions received are recorded as increases in net assets without donor restrictions and net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires, 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.

Concentration of Credit Risk – With regard to receivables, credit risk is limited because the majority of Iris Domestic Violence Center's receivables consist of grants related to other governmental entities. Generally, Iris Domestic Violence Center does not require collateral or other securities to support its accounts receivable.

IRIS DOMESTIC VIOLENCE CENTER
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. Estimates are used primarily when accounting for depreciation.

Cash and Cash Equivalents – For purposes of the Statement of Cash Flows, Iris Domestic Violence Center considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Grants Receivable – Management believes that grants receivable as reflected in the accompanying financial statements are collectible in full, therefore no allowance has been recorded at December 31, 2021 and 2020. Iris Domestic Violence Center evaluates the collectability of its grants receivable on an individual claim basis.

Prepaid Expenses – Iris Domestic Violence Center records insurance and similar services which extend over more than one fiscal year as prepaid expenses.

Property and Equipment – Iris Domestic Violence Center's policy is to capitalize property and equipment greater than \$5,000. Lesser amounts are expensed, and maintenance and repairs are charged against earnings when incurred. Property and equipment purchased by the Organization is recorded at cost at the date of acquisition. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis.

Donated Property and Equipment – Donations of property and equipment are recorded as contributions at fair 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 assets 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 support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Functional Allocation of Expenses – The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Tax Status – Iris Domestic Violence Center is organized as a non-profit organization that is exempt from taxes under Section 501(c)(3) of the Internal Revenue Code. Iris Domestic Violence Center follows the provisions of FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Management believes that it has no material uncertain tax positions and, accordingly, has not recognized a liability for any tax obligations.

Donated Services – The Organization receives donated services and materials throughout the year. The value is reflected in the statement of activities as revenue and expense. For the year ended December 31, 2021, and 2020, the total of in-kind donations is \$157,974 and \$143,284, respectively.

IRIS DOMESTIC VIOLENCE CENTER
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising – Iris Domestic Violence Center follows the policy of charging the costs of advertising to expense as incurred. There was no advertising expense incurred for the years ended December 31, 2021 and 2020, respectively.

NOTE 2: GRANTS RECEIVABLE

Grants receivable at December 31, were as follows:

	<u>2021</u>	<u>2020</u>
Department of Children & Family Services Grant	\$ 68,474	\$ 52,203
Department of Health and Hospitals, Covid 19	438,497	-
LA Coalition Against Domestic Violence	28,598	8,760
LA Commission of Law Enforcement & Administration	<u>148,957</u>	<u>89,259</u>
 TOTAL	 <u>\$ 684,526</u>	 <u>\$ 150,222</u>

NOTE 3: COMPENSATED ABSENCES

As of December 31, 2021 and 2020, Iris Domestic Violence Center's accumulated paid time off (PTO) was \$24,971 and \$20,313, respectively, which is classified as payroll liabilities on the statements of activities.

NOTE 4: RETIREMENT PLAN

Iris Domestic Violence Center provides a 403(b) Thrift Plan to employees completing twelve months of employment and 1,000 service hours. The employee can make voluntary pre-tax contributions from their salary. The employer matches contributions up to six percent of the employee's compensation. During the fiscal years ending December 31, 2021 and 2020, Iris Domestic Violence Center contributed \$10,146 and \$11,486, respectively, to the Plan.

NOTE 5: PAYCHECK PROTECTION PROGRAM NOTE PAYABLE

During the year, Iris Domestic Violence Center was granted a loan (the "Loan") in the aggregate amount of \$149,700 pursuant to the Paycheck Protection Program under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The Loan, which was in the form of a note dated May 14, 2020, issued by the Borrower, bears interest at a rate of 1% per annum, and has a maturity date of August 29, 2023. The note may be prepaid by the borrower at any time prior to maturity with no prepayment penalties. Funds from the loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before 24 weeks after the initial funding date. Iris Domestic Violence Center intends to use the entire loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.

During 2021 Iris Domestic Violence Center received partial loan forgiveness for the U.S. Small Business Administration in the amount of \$120,406.

The balance due as of December 31, 2021 was \$27,080.

Future maturities for this note are as follows:

Year 2022	\$ 7,726
Year 2023	7,804
Year 2024	7,884
Year 2025	<u>3,666</u>
	<u>\$ 27,080</u>

IRIS DOMESTIC VIOLENCE CENTER
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 6: LINE OF CREDIT

Iris Domestic Violence Center has a revolving line of credit for up to \$105,000 that is due on demand. The line of credit had an outstanding balance at December 31, 2021 and 2020 of \$0 and \$105,000, respectively. Interest on the line of credit is payable monthly and carries a rate of 2% over prime (5.25% at December 31, 2021).

NOTE 7: CONCENTRATIONS OF CREDIT RISK

Iris Domestic Violence Center may be subject to credit risk to its cash and cash equivalents investments, which are placed with financial institutions. The Federal Deposit Insurance Corporation ("FDIC") insures up to \$250,000 for substantially all depository accounts. From time to time, Iris Domestic Violence Center may have amounts on deposit in excess of FDIC limits. At December 31, 2021, and 2020, the Organization had deposits in excess of the FDIC limits of \$45,615 and \$140,515, respectively.

NOTE 8: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes at December 31:

	<u>2021</u>	<u>2020</u>
Wilson Foundation Grant	\$ 89,091	\$ 25,000
Williams Montan Grant	20,000	20,000
Government Grants	77,700	-
Baton Rouge Area Foundation Grant	50,000	-
FEMA	<u>91,961</u>	<u>91,961</u>
TOTAL	<u>\$ 328,752</u>	<u>\$ 136,961</u>

Net assets released from restrictions during the years ended December 31, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Wilson Foundation Grant	\$ 5,309	\$ -
Government Grant	<u>74,700</u>	<u>-</u>
TOTAL	<u>\$ 80,009</u>	<u>\$ -</u>

NOTE 9: CONCENTRATION OF SUPPORT

Iris Domestic Violence Center receives the majority of its funds through government grants and contracts. For the years ended December 31, 2021 and 2020, Iris Domestic Violence Center received approximately 23% and 37%, respectively, of its revenues from state and local government grants and contracts, and 70% and 53%, respectively, from federal government grants and contracts.

NOTE 10: CONTINGENCIES

Iris Domestic Violence Center receives the majority of its revenues from governmental grants and contracts, all of which are subject to audit by the government. The ultimate determination of amounts received under these programs generally is based upon allowable costs reported to and are subject to audit by the government. Until such audits, if any, there exists a contingency to refund any amount received in excess of allowable cost. Management is of the opinion that no material liability will result from such audits.

IRIS DOMESTIC VIOLENCE CENTER
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 11: INCOME TAXES

In 2009, Iris Domestic Violence Center adopted the recent accounting guidance related to accounting for uncertainty in income taxes, which sets out a consistent framework to determine the appropriate level of tax reserves to maintain for uncertain tax positions. Iris Domestic Violence Center's administration recognizes the effect of income tax positions only if the positions are more likely than not of being sustained. Recognized income tax positions are recorded at the largest amount that is greater than 50% likely of being realized. Changes in the recognition or measurement are reflected in the period in which the change in judgment occurs. The entity's administration has evaluated its position regarding the accounting for uncertain income tax positions and does not believe that it has any uncertain tax positions. With few exceptions, Iris Domestic Violence Center is no longer subject to federal, state, or local tax examinations by tax authorities for years before 2018.

NOTE 12: OPERATING LEASES

In 2018 Iris Domestic Violence Center entered into a 5-year lease for the use of a copy machine. The lease requires monthly payments of \$659 plus charges for usage of the copier. For the years ended December 31, 2021 and 2020 rent expense was \$9,152 and \$11,707, respectively. Future minimum lease payments are \$7,908 for 2022 and \$3,954 for 2023.

Iris Domestic Violence Center has a month-to-month lease for office space in Ascension parish. The lease requires monthly payments of \$950 per month. Rent expense was \$11,400 for December 31, 2021 and 2020. This lease was cancelled effective January 2022.

Iris Domestic Violence Center has a month-to-month lease for office space in Iberville parish. The lease requires monthly payments of \$350 per month. Rent expense was \$4,200 for December 31, 2021 and 2020. This lease was cancelled effective January 2022.

NOTE 13: RISK MANAGEMENT

Iris Domestic Violence Center is exposed to various risks of loss related to the areas of employee injuries and illness, damage to and destruction of assets, errors and omissions, and unemployment compensation. To handle such risk of loss, Iris Domestic Violence Center maintains commercial insurance policies covering its real and personal property, automobiles, general liability, professional liability, group health and unemployment compensation through individually purchased policies. There have been no significant reductions in the insurance coverage during the year.

NOTE 14: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Iris Domestic Violence Center's financial assets as of the statement of financial position date, reduced by any amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations.

	<u>2021</u>	<u>2020</u>
Current Assets, excluding nonfinancial assets	\$ 936,739	\$ 539,310
Less those unavailable for general expenditures within one year:		
Donor restrictions for specific purposes	<u>(328,752)</u>	<u>(136,961)</u>
Financial Assets available to meet cash needs for General expenditures within one year	<u>\$ 607,987</u>	<u>\$ 402,349</u>

IRIS DOMESTIC VIOLENCE CENTER
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 15: SUBSEQUENT EVENTS

Iris Domestic Violence Center has evaluated all subsequent events through September 28, 2022, which is the date the financial statements were available to be issued.

IRIS DOMESTIC VIOLENCE CENTER
Baton Rouge, LouisianaSCHEDULE OF COMPENSATION, BENEFITS & OTHER
PAYMENTS TO AGENCY HEAD
For the Year Ended December 31, 2021

Agency/Title: John Price, Executive Director

Purpose**Amount**

Salary	\$ 93,165
Benefits - Retirement	<u>11,244</u>
TOTAL COMPENSATION, BENEFITS AND OTHER PAYMENTS	<u><u>\$ 104,409</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
Iris Domestic Violence Center
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Iris Domestic Violence Center (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 28, 2022.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Iris Domestic Violence Center'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

TWRU

CPAs & Financial Advisors
Baton Rouge, Louisiana
September 28, 2022



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

To the Board of Directors
Iris Domestic Violence Center
Baton Rouge, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Iris Domestic Violence Center'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 each of Iris Domestic Violence Center's major federal programs for the year ended December 31, 2021. Iris Domestic Violence Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Iris Domestic Violence Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Iris Domestic Violence Center 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 each major federal program. Our audit does not provide a legal determination of Iris Domestic Violence Center'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 Iris Domestic Violence Center's federal programs.

Auditor's 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 Iris Domestic Violence Center'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 generally accepted auditing standards, *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 judgment made by a reasonable user of the report on compliance about Iris Domestic Violence Center's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment 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 Iris Domestic Violence Center'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 Iris Domestic Violence Center’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 Iris Domestic Violence Center’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 a 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 Auditor’s 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 the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

TWRU

CPAs & Financial Advisors
Baton Rouge, Louisiana
September 28, 2022

IRIS DOMESTIC VIOLENCE CENTER

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Expenditures
U.S. Department of Justice		
Pass-through program from:		
Louisiana Commission of Law Enforcement		
Domestic Violence Program	16.588	16,717
Transitional Rapid Rehousing Program 5	16.575	320,861
U.S. Department of Homeland Security		
Pass-through program from:		
Emergency Food and Shelter Program	97.024	9,970
U.S. Department of Health and Human Services		
Pass-through programs from:		
Louisiana Department of Health and Hospitals		
Family Violence Prevention Services, American Rescue Plan	93.592	74,700
* Temporary Assistance for Needy Families	93.558	<u>422,265</u>
Total		<u>\$ 844,513</u>
* Major Program		

IRIS DOMESTIC VIOLENCE CENTER
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2021

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal expenditures of Iris Domestic Violence Center and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of the Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3: INDIRECT COST RATE

The Organization has elected to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

NOTE 4: SUBRECIPIENTS

Iris Domestic Violence Center did not pass through any of its federal awards to a subrecipient during the fiscal year December 31, 2021.

NOTE 5: NON-CASH ASSISTANCE

No federal awards were expended in the form of non-cash assistance during the fiscal year December 31, 2021.

IRIS DOMESTIC VIOLENCE CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2021

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified Opinion

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? reported _____ Yes X None

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? reported _____ Yes X None

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

Unmodified Opinion

- Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)? _____ Yes X No

Identification of major federal programs:

CFDA Numbers
93.558

Federal Program or Cluster
Temporary Assistance for Needy Families

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

Auditee qualified as low risk auditee? _____ Yes X No

IRIS DOMESTIC VIOLENCE CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2021

II. FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT AS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED *GOVERNMENT AUDITING STANDARDS*

Internal Control Findings-No Findings Noted

Compliance Findings-No Findings Noted

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

No findings related to internal control, which would be required to be reported in accordance with *Government Auditing Standards and the Uniform Guidance*, were noted during the audit.

IV. FINDINGS RELATED TO STATE COMPLIANCE LAWS

2021-01 Engagement Completion and Submission

Condition: The Organization failed to submit its annual financial statements to the Legislative Auditors Office by the statutory due date.

Criteria: LSA R.S. 24:513 states that “audits shall be completed within six months of the close of the entity’s fiscal year.”

Cause: There was leadership turnover within the Organization, and they were unaware that a Uniform Guidance audit was required.

Effect: According to the Legislative Auditor of the State of Louisiana, failure to comply with the six-month statutory submission of the financial reports is a reportable instance of noncompliance with state law.

Recommendation: It is recommended that Iris Domestic Violence Center be aware of federal funding reimbursements and receipts on a regular basis.

Management Response: Management acknowledges the condition as described above and agrees with the auditor’s recommendation.

IRIS DOMESTIC VIOLENCE CENTER
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
Year Ended December 30, 2021

II. FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT AS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED *GOVERNMENT AUDITING STANDARDS*

Internal Control Findings-No Findings Noted

Compliance Findings-No Findings Noted

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

No findings related to internal control, which would be required to be reported in accordance with *Government Auditing Standards and the Uniform Guidance*, were noted during the audit.

IV. FINDINGS RELATED TO STATE COMPLIANCE LAWS

No findings related to state compliance laws.

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of Iris Domestic Violence Center 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 January 1, 2021 through December 31, 2021. Iris Domestic Violence Center's (the Center's) management is responsible for those C/C areas identified in the SAUPs.

The Center has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. 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 collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - h) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics

violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Finding:

With regards to item "i" above, the Center does not appear to have an Ethics policy within the Policies and Procedures Manual which meet any of the requirements of item "i".

With regards to item "l" above, the Center does have a Sexual Harassment Policy for which is requires pledges from individual employees to abide by said policy and outlines both the employee's and the Center's responsibilities. However, the policy does not mention the requirements of R.S. 42:342-344, lay out requirements for annual training, or describe the annual reporting requirements.

Management's Response:

Management will update our Policies and Procedures to include these discrepancies.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe 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 fund. *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.*
 - m) 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.

No exceptions noted.

Bank Reconciliations

- 3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating

account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged).
- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- n) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions noted.

Collections (excluding electronic funds transfers)

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

No exceptions noted.

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 responsible for cash collections do not share cash drawers/registers.
- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

No exceptions noted.

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.

No exceptions noted.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted.

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

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

No exceptions noted.

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.

No exceptions noted.

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 whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

No exceptions noted.

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

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

No exceptions noted.

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.

No exceptions noted.

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

Finding:

For one of the two months selected for testing, late fees and interest charges were assessed.

Management's Response:

Management will ensure that monthly balances are paid in full moving forward.

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.

No exceptions noted.

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.

Finding:

For two of the five reimbursements selected for testing, original receipts or explanation of expenses could not be produced.

Management's Response:

Management will be sure that all disbursements have the proper documentation for support.

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.
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law.
 - 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).
 - 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.

No exceptions noted.

Payroll and Personnel

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

No exceptions noted.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's 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.

No exceptions noted.

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.

N/A – no termination payments during 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.

No exceptions noted.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above: obtain ethics documentation from management, and:
- Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Finding:

Zero of the five employees selected for testing appeared to have attended the mandatory one hours of ethics training per year. According to the Center's agreement with the Department of Children and Family Services, page 7, states that R.S. 42:1101 et seq. (LA Code of Governmental Ethics) applies to the Center.

Management's Response:

The Center has conducted LA Board of Ethics training in 2022 and will continue to do so in the coming years.

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

N/A – no debt service.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

N/A – no debt service.

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.

No exceptions noted.

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.

Finding:

The Center does not appear to have posted this information neither on the organization's website nor the Center's website.

Management's Response:

Management will have the required items posted.

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.

No exceptions noted.

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.

No exceptions noted.

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.

No exceptions noted.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Finding:

Of the five employee records tested, none of them contained documentation of annual sexual harassment training from management.

Management's Response:

The Center has scheduled sexual harassment training to be conducted later in 2022 and will continue this required training in the coming years.

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Finding:

The Center does not appear to have posted their sexual harassment policy on the website nor on their premises.

Management's Response:

The policy will be posted to the website and premises in the coming year.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements.
- b) Number of sexual harassment complaints received by the agency.
- c) Number of complaints which resulted in a finding that sexual harassment occurred.
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Finding:

The Center did not submit the required annual sexual harassment report.

Management's Response:

Management will file the annual report next year.

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

We are required to be independent of the Center 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.

TWRU

CPAs & Financial Advisors
Baton Rouge, Louisiana
September 28, 2022