

Families Helping Families at the Crossroads of Louisiana, Inc.

Pineville, Louisiana

Financial Statements

June 30, 2022

Table of Contents

Independent Auditors' Report.....	1
Basic Financial Statements	
Statement of Financial Position	4
Statement of Activities.....	5
Statement of Cash Flows	6
Statement of Functional Expenses	7
Notes to Financial Statements.....	8
Supplementary Schedule.....	13
Schedule of Compensation, Benefits and Other Payments to Executive Director	14
Reports on Internal Control, Compliance and Other Matters	15
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 <i>Government Auditing Standards</i>	16
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.....	18
Schedule of Expenditures of Federal Awards.....	21
Notes to the Schedule Expenditures of Federal Awards.....	22
Schedule of Findings and Questioned Costs.....	23



KnightMasden

A Professional Accounting Corporation

John E. Theriot II, CPA, CGMA

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Independent Auditors' Report

Board of Directors
Families Helping Families at the Crossroads of Louisiana, Inc.
Pineville, Louisiana

Report on the Financial Statement

Opinion

We have audited the accompanying financial statements of Families Helping Families at the Crossroads of Louisiana, 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.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Families Helping Families at the Crossroads of Louisiana, Inc. as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Families Helping Families at the Crossroads of Louisiana, Inc. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to be evaluated whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Families Helping Families at the Crossroads of Louisiana, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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 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 of error, as fraud may involve collusion, forgery, intentional omission, 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 judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 Families Helping Families at the Crossroads of Louisiana, 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Families Helping Families at the Crossroads of Louisiana, 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.

Report on Summarized Comparative Information

We have previously audited the Families Helping Families at the Crossroads of Louisiana, Inc., Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 11, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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*




November 16, 2022

Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the schedule of compensation, benefits, and other payments to executive director are 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 and schedule of compensation, benefits and other payments to the executive director are 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 November 16, 2022, on our consideration of Families Helping Families at the Crossroads of Louisiana, Inc., 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 Families Helping Families at the Crossroads of Louisiana, Inc., 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 Families Helping Families at the Crossroads of Louisiana, Inc., Inc.'s internal control over financial reporting and compliance.



KnightMasden
Alexandria, Louisiana
November 16, 2022



Families Helping Families at the Crossroads of Louisiana, Inc.
Statement of Financial Position
June 30, 2022

	<u>2022</u>	2021 Summarized <u>Total</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 123,882	\$ 123,663
Investments in certificate of deposit	1,920	1,920
Contract amounts receivable	<u>184,824</u>	<u>270,343</u>
Inventory		
Prepaid expenses		
Total Current Assets	310,626	395,926
Plant, Property and Equipment, net	<u>119,489</u>	<u>129,675</u>
Total Assets	<u><u>\$ 430,115</u></u>	<u><u>\$ 525,601</u></u>
Liabilities and Net Assets		
Current Liabilities		
Cash overdraft	\$ 15,567	\$ 31,337
Accounts payable	15,282	19,802
Payroll liabilities	523	-
Notes payable	<u>16,066</u>	<u>119,797</u>
Total Current Liabilities	47,438	170,936
Long Term Liabilities	<u>29,408</u>	<u>35,472</u>
Total Liabilities	76,846	206,408
Net Assets		
without Donor Restriction	<u>353,269</u>	<u>319,193</u>
Total Net Assets	<u>353,269</u>	<u>319,193</u>
Total Liabilities and Net Assets	<u><u>\$ 430,115</u></u>	<u><u>\$ 525,601</u></u>

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

Families Helping Families at the Crossroads of Louisiana, Inc.
Statement of Activities
For the Year Ended June 30, 2022

	<u>2022</u> without Donor <u>Restriction</u>	<u>2021</u> Summarized <u>Total</u>
Revenues		
Fees for contractual services	\$ 1,339,661	\$ 1,180,535
Other income	4,348	230,194
Total Revenues	1,344,009	1,410,729
Functional Expenses		
Program services	1,107,883	982,990
Management and general	202,050	268,561
Total Functional Expenses	1,309,933	1,251,551
Change in Net Assets	34,076	159,178
Net Assets - Beginning	319,193	160,015
Net Assets - Ending	\$ 353,269	\$ 319,193

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

Families Helping Families at the Crossroads of Louisiana, Inc.

Statement of Cash Flows
For the Year Ended June 30, 2022

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 34,076	\$ 159,178
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities		
Depreciation	10,094	15,632
Gain on sale of fixed assets	-	(74,853)
Increase in contract receivables	85,611	(179,034)
Decrease in accounts payable	(4,520)	10,952
Decrease in payroll liabilities	523	(12,834)
Net Cash Provided/(Used) by Operating activities	<u>125,784</u>	<u>(80,959)</u>
Cash flows from Investing Activities		
Proceeds from sale of fixed assets	-	149,935
Purchase of fixed assets	-	(7,411)
Net Cash Provided/(Used) by Investing Activities	<u>-</u>	<u>142,524</u>
Cash flows from Financing Activities		
Proceeds from loan	545,300	385,511
Forgiveness of debt	-	(153,700)
Repayment of debt	(655,095)	(296,971)
Net Cash Provided/(Used) by Financing Activities	<u>(109,795)</u>	<u>(65,160)</u>
Net Increase (Decrease) in Cash and Cash equivalents	15,989	(3,595)
Cash and Cash Equivalents - Beginning	<u>92,326</u>	<u>95,921</u>
Cash and Cash Equivalents - Ending	<u>\$ 108,315</u>	<u>92,326</u>
Consisting of:		
Cash and cash equivalents	\$ 123,882	\$ 123,663
Cash overdraft	<u>(15,567)</u>	<u>(31,337)</u>
Total	<u>\$ 108,315</u>	<u>\$ 92,326</u>
Cash paid for interest	<u>\$ 5,884</u>	<u>\$ 4,259</u>

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

Families Helping Families at the Crossroads of Louisiana, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2022

	<u>Program Service</u>	<u>Management and General</u>	2022 <u>Total Expenses</u>	2021 <u>Summarized Total</u>
Salaries	\$ 698,263	\$ 96,999	\$ 795,262	\$ 748,979
Employee benefits	14,213	11,775	25,988	32,128
Payroll taxes	54,919	7,568	62,487	57,423
Janitorial	-	350	350	130
Office supplies	11,976	5,693	17,669	13,365
Telephone	10,205	5,137	15,342	12,417
Rent	24,240	-	24,240	24,240
Utilities	-	4,712	4,712	5,406
Supplies	26,366	1,794	28,160	7,539
Printing	8,797	697	9,494	6,170
Contract labor	27,000	125	27,125	19,700
Dues	410	924	1,334	1,713
Insurance	5,183	21,733	26,916	32,453
Postage	6,039	1,172	7,211	6,516
Website maintenance	1,454	3,135	4,589	4,048
Travel and meetings	3,061	10,123	13,184	16,383
Repairs and maintenance	-	9,531	9,531	40,429
Security	684	372	1,056	994
Legal and accounting	4,000	9,167	13,167	12,807
Training	2,331	5,981	8,312	4,215
Bank charges	-	401	401	568
Interest	5,063	821	5,884	4,259
Crisis management	193,194	-	193,194	177,976
Depreciation	10,094	-	10,094	15,632
Miscellaneous	391	3,840	4,231	6,061
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenses	<u>\$ 1,107,883</u>	<u>\$ 202,050</u>	<u>\$ 1,309,933</u>	<u>\$ 1,251,551</u>

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

Families Helping Families at the Crossroads of Louisiana, Inc.
Notes to the Financial Statements
June 30, 2022

Note 1 – Nature of Activities and Significant Accounting Policies

Nature of Activities

Families Helping Families at the Crossroads of Louisiana, Inc. (the Organization) (Region 6) is a private, non-profit corporation governed by a board of directors and is organized on the laws of the State of Louisiana. The Organization's purpose is to inform the public concerning the handicapped and to provide information, referral, education and to respond to the needs and capacities of handicapped people and their families. The support for the Organization primarily comes from state funds through contracts for services provided.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with the generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions – Net assets not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time or be permanently maintained by the Organization. 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.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Significant estimates have been applied in the determination of donated food values and depreciation in preparation of the accompanying financial statements.

Families Helping Families at the Crossroads of Louisiana, Inc.
Notes to the Financial Statements
June 30, 2022

Note 1 – Nature of Activities and Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with original maturities of less than three months.

Revenue Recognition and Promises to Give

Contributions are recognized when the donor makes an unconditional promise to give to the Organization. All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one activity are charged to the programs and supporting services based on the estimated amount of time that employees devote to various activities. Additional overhead is allocated to various activities based on the program's direct cost.

Income Taxes

The Organization is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code. However, the Organization participates in gaming and is required to pay income tax on this unrelated business income. When tax is due, there is provision made for the taxes due in the financial statements. Furthermore, the Organization is not classified as a "private foundation" by the internal revenue service.

Property and Equipment

Property and equipment are stated at cost. Additions, renewals and betterments that extend the useful life of the assets are capitalized. Maintenance and repair expenditures are expensed as incurred. Provisions for depreciation and amortization are computed using the straight-line method over the assets' useful lives, which range from 3 to 39 years. Capitalization threshold of \$500 is used.

Contract Receivable

Contracts receivable represents amounts owed to the Organization for the costs incurred under fee for service contracts at the end of the fiscal year. Management considers all amounts receivable to be collectible, therefore, there is no provision for uncollectible amounts established.

Families Helping Families at the Crossroads of Louisiana, Inc.
Notes to the Financial Statements
June 30, 2022

Note 2 – Fixed Assets and Depreciation

The following schedule summarizes estimated useful life, cost and accumulated depreciation of property, plant and equipment as of June 30, 2022:

<u>Description</u>	<u>Life</u>	
Equipment	5 - 7 years	\$103,006
Building	39 years	144,485
Land		35,900
Less: Accumulated Depreciation		<u>(163,902)</u>
Net Fixed Assets		<u>\$119,489</u>

Depreciation expense for the year ended June 30, 2022 was \$10,094.

Note 3 – Notes Payable

Line of credit with Red River Bank for additional working capital dated January 21, 2021; collateralized by building and land in Pineville, LA; with interest rate of 4.75%.	\$10,000
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Note payable to Red River Bank for additional working capital dated August 13, 2019; collateralized by building and land in Pineville, LA; payable in 60 monthly payments of \$506; with interest rate of 5.75%.	<u>35,474</u>
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Total	45,474
Less current portion	<u>(16,066)</u>

Total long term notes payable	<u>\$ 29,408</u>
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Future maturities of notes payable as of June 30, 2022 were as follows:

<u>Years Ended</u>	<u>Amounts</u>
<u>June 30</u>	
2023	\$ 16,066
2024	\$ 6,066
2025	\$ 23,342

Note 4 – Fair Value Measurement

FASB ACS 820-10, Fair Value Measurement, defines fair value, establishes a framework for measuring fair value, establishes a three-level valuation hierarchy for disclosure of fair value measurement and enhances disclosure requirements for fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of the fair value of an asset or liability as of the measurement date. The three levels are defined as follows:

Families Helping Families at the Crossroads of Louisiana, Inc.
Notes to the Financial Statements
June 30, 2022

Note 4 – Fair Value Measurement (continued)

Level 1 – Represented by quoted prices that are available in an active market. Level 1 securities include cash, checking and savings accounts, certificates of deposit, highly liquid government bonds, treasury securities, mortgage products and exchange traded equities.

Level 2 – Represented by assets and liabilities similar to Level 1 where quoted prices are not available, but are observable, either directly or indirectly through corroboration with observable market data and estimated using pricing models or discounted cash flows. Level 2 securities would include U.S. agency securities, mortgage-backed agency securities, obligations of states and political subdivisions, and certain corporate, asset backed securities, and swap agreements.

Level 3 – Represented by financial instruments where there is limited activity or unobservable market prices and pricing models significant to determining the fair value measurement include the reporting entity’s own assumptions about the market risk. Level 3 securities would include hedge funds, private equity securities, and private investments in public entities.

Fair value of assets measured on a recurring basis at June 30, 2022 are as follows:

<u>Description</u>	<u>Fair Value Measurement at June 30, 2022 Using</u>			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash	\$108,315	\$108,315	\$ -	\$ -
Certificate of deposit	\$1,920	\$1,920	\$ -	\$ -

Note 5 – Operating Lease

The Organization has an operating lease for office space for \$2,020 per month on a month to month basis. The rental cost for the year ended June 30, 2022 was \$24,240.

Note 6 – Donated Services

Unpaid volunteers have made significant contributions of their time to the Organization. The value of the contributed time is not reflected in these statements since it is not susceptible to an objective measurement.

Note 7 – Retirement Plan

The Organization adopted a Simple IRA plan for its employees. All employees are eligible to participate from date of hire. Employees are eligible to make voluntary contributions to the plan. The Organization matches the first 3% of employee wages contributed to the plan. The Organization contributed \$7,892 to the plan during the year ended June 30, 2022.

Families Helping Families at the Crossroads of Louisiana, Inc.
Notes to the Financial Statements
June 30, 2022

Note 8 – Income Taxes

As of June 30, 2022, tax years 2019 and subsequent were still within the prescription period for examination by taxing authorities. As of the date of the report, the 2022 return has not been filed.

Note 9 – Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	\$108,315
Investments in certificate of deposits	1,920
Contract amounts receivable	<u>182,974</u>
	<u>\$293,209</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

Note 10 – Subsequent Events

The Organization has no material subsequent events that would require disclosure. Subsequent events have been evaluated through November 16, 2022, which is the date the financial statements were available for issuance.

Supplementary Schedule

✓ Families Helping Families at the Crossroads of Louisiana, Inc.
Schedule of Compensation, Benefits and Other Payments to Executive Director
For the Year Ended June 30, 2022

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 48,000
Vehicle provided by organization	<u>3,375</u>
	<u>\$ 51,375</u>

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

Reports on Internal Control, Compliance and Other Matters



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

Board of Directors

Families Helping Families at the Crossroads of Louisiana, Inc.

Pineville, 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 Families Helping Families at the Crossroads of Louisiana, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 16, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Families Helping Families at the Crossroads of Louisiana, Inc.'s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Families Helping Families at the Crossroads of Louisiana, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Families Helping Families at the Crossroads of Louisiana, 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 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

November 16, 2022

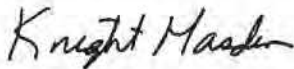
deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Families Helping Families at the Crossroads of Louisiana, 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 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. Under Louisiana statutes, this report is distributed by the Legislative Auditor as a public document.



KnightMasden
Alexandria, Louisiana
November 16, 2022





Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Board of Directors
Families Helping Families at the Crossroads of Louisiana, Inc.
Pineville, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Families Helping Families at the Crossroads of Louisiana, 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 each of Families Helping Families at the Crossroads of Louisiana, Inc.’s major federal programs for the year ended June 30, 2022. Families Helping Families at the Crossroads of Louisiana, Inc.’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, Families Helping Families at the Crossroads of Louisiana, Inc. 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 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; 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 Auditors’ Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Families Helping Families at the Crossroads of Louisiana, 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 each major federal program. Our audit does not provide legal determination of Families Helping Families at the Crossroads of Louisiana, 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 requirements of laws,

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statutes, regulations, rules, and provision of contracts or grant agreements applicable to Families Helping Families at the Crossroads of Louisiana, 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 Families Helping Families at the Crossroads of Louisiana, 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 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 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 Families Helping Families at the Crossroads of Louisiana, Inc.'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 Families Helping Families at the Crossroads of Louisiana, 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 Families Helping Families at the Crossroads of Louisiana, 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 Families Helping Families at the Crossroads of Louisiana, 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable

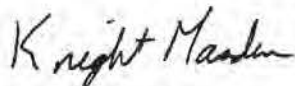


possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control 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 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 the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana statutes, this report is distributed by the Legislative Auditor as a public document.



KnightMasden
Alexandria, Louisiana
November 16, 2022



Families Helping Families at the Crossroads of Louisiana, Inc.
Schedule of Expenditures of Federal Awards
June 30, 2022

<u>Federal Grantor/Pass-through Grantor</u>	<u>Federal CDFA Number</u>	<u>Pass- through Identifying Number</u>	<u>Pass- through to Sub- recipients</u>	<u>Federal Expenditures</u>
U. S. Department of Education –				
Special Education – Grants for Infants and Families with Disabilities				
Indirect Programs:				
Louisiana Department of Health	84.181A	\$	-	\$732,712
Twenty-first Century Community Learning Centers				
Indirect Programs:				
Louisiana Department of Education	84.278		-	<u>41,506</u>
Total U. S. Department of Agriculture			-	774,218
U. S. Department Health and Human Services				
Development Disabilities Basic Support and Advocacy Grants				
Indirect Programs:				
Louisiana Development Disabilities Council	93.630		-	144,198
Block Grants for Community Mental Health Services				
Indirect Programs:				
Central Louisiana Human Services District	93.958		-	<u>23,945</u>
Total U. S. Department of Health and Human Services			-	<u>168,143</u>
Total Expenditures of Federal Awards			\$	<u>\$942,361</u>

Families Helping Families at the Crossroads of Louisiana, Inc.
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2022

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Families Helping Families at the Crossroads of Louisiana, Inc. (the Organization) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note B – Indirect Cost Rate Election

The Organization did not elect to use the 10% de minimis indirect cost rate during the year ended June 30, 2022.

Note C – Reconciliation of Expenses to Federal Expenditures

Program expenses	\$1,107,883
Non-cash adjustment – depreciation	(10,094)
Non-federal expenditures	<u>(155,428)</u>
Total Federal Expenditures	\$942,361

Families Helping Families at the Crossroads of Louisiana, Inc.
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2022

A. Summary of Auditors' Results

Financial Statements

- | | |
|---|------------|
| 1. Type of auditors' report | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness identified? | No |
| b. Significant deficiencies identified no considered material weakness? | None noted |
| c. Noncompliance material to the financial statements noted? | No |

Federal Awards

- | | |
|--|------------|
| 1. Type of auditors' report issued on compliance for major programs | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness identified? | No |
| b. Significant deficiencies identified no considered material weakness? | None noted |
| 3. Any audit findings disclosed that are required to be reported in the accordance with 2CFR section 200.516(a)? | No |

4. Identification of major programs

Federal Assistance Listing Number	Federal Program
84.181A	Special Education – Grants for Infants and Families with Disabilities

- | | |
|--|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs | \$750,000 |
| 6. Auditee qualified as low-risk under 2CFR 200.520 | No |

Families Helping Families at the Crossroads of Louisiana, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

B. Findings – Financial Statement Audit

INTERNAL CONTROL AND COMPLIANCE FINDING

No findings

C. Findings and Questioned Costs – Major Federal Award Programs Audit

DEPARTMENT OF EDUCATION

Passed through the State of Louisiana

No Findings



KnightMasden

A Professional Accounting Corporation

John E. Theriot II, CPA, CGMA

Dona C. Manuel, CPA

Stephanie R. Lemoine, CPA

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of
Families Helping Families
at the Crossroads of Louisiana, Inc.
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by The Families Helping Families at the Crossroads of Louisiana, Inc. (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a. Budgeting, including
 - i. preparing,
Policy is not present in the written policies and procedures manual.
 - ii. adopting,
Policy is not present in the written policies and procedures manual.

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- iii. monitoring, and

Policy is not present in the written policies and procedures manual.

- iv. amending the budget.

Policy is not present in the written policies and procedures manual.

b. Purchasing, including

- i. how purchases are initiated;

Policy is not present in the written policies and procedures manual.

- ii. how vendors are added to the vendor list;

Policy is not present in the written policies and procedures manual.

- iii. the preparation and approval process of purchase requisitions and purchase orders;

Policy is not present in the written policies and procedures manual.

- iv. controls to ensure compliance with the public bid law; and

Policy is not present in the written policies and procedures manual.

- v. documentation required to be maintained for all bids and price quotes.

Policy is not present in the written policies and procedures manual.

c. Disbursements, including

- i. processing,

Policy is not present in the written policies and procedures manual.

- ii. reviewing, and

Policy is not present in the written policies and procedures manual.

- iii. approving

Policy is not present in the written policies and procedures manual.

d. Receipts/Collections, including

- i. receiving,

Policy is not present in the written policies and procedures manual.

- ii. recording, and

Policy is not present in the written policies and procedures manual.

- iii. preparing deposits

Policy is not present in the written policies and procedures manual.

- iv. 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.

Policy is not present in the written policies and procedures manual.

e. Payroll/Personnel, including

- i. payroll processing, and

Policy is present in the written policies and procedures manual.

- ii. reviewing and approving time and attendance records, including leave and overtime worked.

Policy is present in the written policies and procedures manual.

- iii. Approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

Policy is present in the written policies and procedures manual.

f. Contracting, including

- i. types of services requiring written contracts,

Policy is not present in the written policies and procedures manual.

- ii. standard terms and conditions,

Policy is not present in the written policies and procedures manual.

- iii. legal review,

Policy is not present in the written policies and procedures manual.

- iv. approval process, and

Policy is not present in the written policies and procedures manual.

- v. monitoring process

Policy is not present in the written policies and procedures manual.

- g. Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including

- i. how cards are to be controlled,

Policy is not present in the written policies and procedures manual.

- ii. allowable business uses,

Policy is not present in the written policies and procedures manual.

- iii. documentation requirements,

Policy is not present in the written policies and procedures manual.

- iv. required approvers of statements, and

Policy is not present in the written policies and procedures manual.

- v. monitoring card usage.

Policy is not present in the written policies and procedures manual.

- h. Travel and expense reimbursement, including

- i. allowable expenses,

Policy is present in the written policies and procedures manual.

- ii. dollar thresholds by category of expense,

Policy is not present in the written policies and procedures manual.

- iii. documentation requirements, and

Policy is present in the written policies and procedures manual.

- iv. required approvers

Policy is present in the written policies and procedures manual.

- i. Ethics, including

- i. the prohibitions as defined in Louisiana Revised Statute 42:1111-1121,

Not applicable to nonprofits.

- ii. actions to be taken if an ethics violation takes place,

Not applicable to nonprofits.

- iii. system to monitor possible ethics violations, and

Not applicable to nonprofits.

- iv. requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Not applicable to nonprofits.

- j. Debt Service, including

- i. debt issuance approval,

Not applicable to nonprofits.

- ii. continuing disclosure/EMMA reporting requirements,

Not applicable to nonprofits.

- iii. debt reserve requirements, and

Not applicable to nonprofits.

- iv. debt service requirements.

Not applicable to nonprofits.

- k. Information Technology Disaster Recovery/Business Continuity, including

- i. identification of critical data and frequency of data backups,

Policy is not present in the written policies and procedures manual.

- ii. storage of backups in a separate physical location isolated from the network,

Policy is not present in the written policies and procedures manual.

- iii. periodic testing/verification that backups can be restored,

Policy is not present in the written policies and procedures manual.

- iv. use of antivirus software on all systems,

Policy is not present in the written policies and procedures manual.

- v. Timely application of all available system and software patches/updates, and

Policy is not present in the written policies and procedures manual.

- vi. Identification of personnel, processes, and tools needed to recover operations after a critical event.

Policy is not present in the written policies and procedures manual.

- l. Sexual Harassment, including R.S. 42:342-344 requirements for

- i. agency responsibilities and prohibitions,

Policy is present in the written policies and procedures manual.

- ii. annual employee training,

Policy is not present in the written policies and procedures manual.

- iii. annual reporting.

Policy is not present in the written policies and procedures manual.

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 met with a quorum quarterly.

- 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 all special revenue funds. Alternatively 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 meetings include discussions of financial data related to government grants.

- 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.

Not applicable to nonprofits.

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 each selected account, and observe that:

List was obtained, and client represented that it was complete.

- a. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date;

All reconciliations were prepared within 2 months of 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; and

The bank reconciliations do include evidence that a person who is not involved in the cash receipts or cash disbursements process has reviewed the 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.

Two of the three bank accounts had no outstanding items which were dated over 12 months from the statement date. The other bank account had no documentation that reconciling items over 12 months were researched.

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).

List was obtained, and client represented that it was 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, 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.

- 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 to the deposit.

All deposits are made via ACH.

- 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.

All deposits are made via ACH.

- 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.

All deposits are made via ACH.

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.

Employees with access to cash are not covered by a bond.

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.

Receipts are not used because deposits are made via ACH.

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

Not applicable as the receipts are not used.

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

Deposits selected were made via ACH, so no deposit slips were used.

- 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 or drawer).

Deposits selected were made via ACH.

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

For all deposits tested, the deposit per the bank statement equaled the deposit per the general ledger.

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).

A list was obtained. Client represented that it was 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.

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.

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.

Employee responsible for processing payments does add and/or modify vendor files, and no other 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.

Signed checks are returned to the employee responsible for processing payments for mailing.

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.

The disbursements tested matched the related original invoice/billing statement.

- b. Observe whether the disbursement documentation included evidence of segregation of duties tested under #9, as applicable.

The disbursements tested did not included evidence of segregation of duties.

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.

A list was obtained. Client represented that it was complete.

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

- a. Observe that there is evidence that the monthly statement or combined statement and supporting documentation were reviewed and approved, in writing, by someone other than the authorized card holder.

Written evidence that statements and supporting documents are reviewed and approved was present on all statements.

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

The finance charges and late fees were not assessed on the selected statements.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions. For each transaction, observe that it is supported by

- a. an original itemized receipt that identifies precisely what was purchased,

An original itemized receipt that identified exactly what was purchased was present in all but 12 tested transactions.

- b. written documentation of the business/public purpose, and

Written documentation of the business purpose was not present in the tested transactions.

- c. documentation of the individuals participating in meals (for meal charges only).

There was no documentation of individuals participating in meals for the items selected.

- 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 list was obtained. Client represented that it was complete.

- a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

No items tested used per diem.

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

An itemized receipt that identified precisely what was purchased was included for one of the five tested items.

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

Supporting documentation of the business purpose was present in all transactions.

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

None of the reimbursements tested were reviewed and approved in writing by someone other than the person receiving the reimbursement.

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 list was obtained. Client represented that it was complete.

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

No contracts were subject to the Louisiana Bid Law.

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

No contracts required approval by governing board.

- c. If the contract was amended, observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms.

No contracts were 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 that the invoice and related payment agreed to the terms and conditions of the contract.

All transactions tested had supporting invoice and agreed to terms of the contract.

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.

A list was obtained. Client represented that it was complete.

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.

Documentation of daily attendance and leave taken was present for all employees tested.

- b. Observe whether supervisors approved the attendance and leave of the selected employees/officials.

Supervisor approved attendance and leave was not present for two employees tested.

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

No leave was taken during pay period.

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

All rates agree to the rate per the personnel file.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees 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 hours to the employee or officials' cumulative leave record, 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.

A list was obtained. Client represented that it was complete. Termination checks were calculated correctly.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by required deadlines.

Representation that payments and forms have been filed and paid by required deadlines.

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Not applicable to non-profits.

- b. Observe whether the entity maintains documentation which demonstrates each employee/official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Not applicable to non-profits.

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 that State Bond Commission approval was obtained for each debt instrument issued.

Not applicable to non-profits.

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.

Not applicable to non-profits.

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 misappropriation of public funds in current year..

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

Entity has notice posted.

25. Perform the following procedures,

- 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, observe evidence that backups are encrypted before being transported.

We performed the procedure and discussed the results with management.

- 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.

We performed the procedure and discussed the results with management.

- 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.

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.

Sexual harassment training was documented for the year for all employees selected.

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).

Client has sexual harassment policy posted.

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:

No reporting was done.

- a) Number and percentage of public servants in the agency who have completed the training requirements;

Not reported

- b) Number of sexual harassment complaints received by the agency;

Not reported

- c) Number of complaints which resulted in a finding that sexual harassment occurred;

Not reported

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

Not reported

- e) Amount of time it took to resolve each complaint.

Not reported

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on 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.

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



KnightMasden
Alexandria, Louisiana
November 16, 2022

