

NEW HORIZONS, INC.
Shreveport, Louisiana

**FINANCIAL STATEMENTS
AND
AUDITOR'S REPORTS**

September 30, 2022

NEW HORIZONS, INC.
SHREVEPORT, LOUISIANA

FINANCIAL STATEMENTS AND AUDITORS' REPORTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
New Horizons, Inc.
Shreveport, Louisiana

Report on the Financial Statements

Opinions

I have audited the accompanying financial statements of New Horizons, Inc., (a non-profit organization) as of and for the year ended September 30, 2022, and the related notes to the financial statements which collectively comprise the organization's basic financial statements as listed in the table of contents.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of New Horizons, Inc., as of September 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of New Horizons, Inc. and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Management's Responsibilities for the Financial Statements

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

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 the entity's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, I

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 appropriated in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the organization's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit 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 basic financial statements or to the basic financial statements themselves,

and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the accompanying Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated March 23, 2022 on my consideration of the organization's internal control over financial reporting and my test of its compliance with certain provisions of laws, regulations, contracts and agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, I have issued a report, dated March 23, 2022, on the results of my statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.



Paul Dauzat
Certified Public Accountant
March 23, 2023

NEW HORIZONS, INC.

STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2022

ASSETS

Current Assets:

Cash and cash equivalents	\$ 338,071
Certificate of Deposit	35,311
Contract and Grant Receivables	157,995
Other Receivables	1,100
Total Current Assets	<u>532,477</u>

Property and Equipment:

Property and Equipment	12,604
Accumulated Depreciation	<u>(12,604)</u>
Net Property and Equipment	<u>-</u>

Total Assets

\$ 532,477

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable - Trade	\$ 4,971
Accrued Expenses - Payroll	40,614
Accrued Expenses - Compensated Absences	25,094
Total Current Liabilities	<u>70,679</u>

Total Liabilities

70,679

Net Assets:

Without Donor Restrictions:	<u>461,798</u>
Total Net Assets	<u>461,798</u>

Total Liabilities and Net Assets

\$ 532,477

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

NEW HORIZONS, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>WITHOUT DONOR RESTRICTIONS</u>
Increases in Net Assets	
<u>Revenues and Other Support:</u>	
Federal and State grants	\$ 529,274
Medicaid programs	701,004
Other program income	254,916
Donations	5,708
Interest income	375
Total Revenues and Other Support	<u>1,491,277</u>
Decreases in Net Assets	
<u>Expenses:</u>	
Program Expenses	1,172,395
Supporting services:	
Management and general	<u>163,088</u>
Total Expenses	<u>1,335,483</u>
<u>Change in Net Assets</u>	155,794
<u>Net Assets - Beginning of Year</u>	<u>306,004</u>
<u>Net Assets - End of Year</u>	<u>\$ 461,798</u>

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

NEW HORIZONS, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Cash Flows from Operating Activities:

Increase (Decrease) in Net Assets	\$ 155,794
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
(Increase) Decrease in Operating Assets:	
Contract and Grant Receivables	(14,837)
Increase (Decrease) in Operating Liabilities	
Accounts Payable - Trade	(19,037)
Accrued Expenses - Payroll	10,202
Accrued Expenses - Compensated Absences	10,225
Net Cash Provided (Used) by Operating Activities	<u>142,347</u>

Cash Flows from Investing Activities

Purchase of Short-Term Investment	<u>(229)</u>
Net Cash Used in Investing Activities	<u>(229)</u>

Net Increase (Decrease) in Cash 142,118

Cash at Beginning of Year 195,953

Cash at End of Year \$ 338,071

Required Supplementary Information:

Interest paid during the year \$ -

There were no non-monetary transactions during the year

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

NEW HORIZONS, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Expenses	<u>Program Services</u>	<u>Supporting Services, Management & General</u>	<u>Total</u>
Salaries and Wages	\$ 795,783	\$ 108,147	\$ 903,930
Payroll Taxes	79,618	10,820	90,438
Legal	-	3,141	3,141
Insurance	34,821	6,145	40,966
Services/Supplies - Consumer	28,499	-	28,499
Office Exp	15,202	5,067	20,269
Training	2,385	265	2,650
Travel	17,599	1,956	19,555
Dues and Subscriptions	10,910	1,212	12,122
Contracted Services	58,562	12,000	70,562
Rent	73,891	8,210	82,101
Repairs and Maintenance	2,269	252	2,521
Public Awareness	21,296	2,366	23,662
Telephone	6,558	729	7,287
Utilities	12,941	1,438	14,379
Miscellaneous	12,061	1,340	13,401
	<hr/>	<hr/>	
Total Expenses	<u>\$ 1,172,395</u>	<u>\$ 163,088</u>	<u>\$ 1,335,483</u>

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

NEW HORIZONS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

I. Summary of Significant Accounting Policies

A. Nature of Activities

New Horizons, Inc. (New Horizons), is a nonprofit corporation under the laws of the State of Louisiana. New Horizons was established to provide an opportunity for those individuals with disabilities to live independently through a broad range of support services including informational support, educational services, personal care attendants, transportation, recreation, and other services, and to make possible a broader life for those individuals and families with special needs. The following programs are administered by New Horizons, shown with their approximate percentages of total revenue:

Medicaid — 31 %
Federal and State Grants — 66%
Other Income — 3%

B. Basis of Accounting

The financial statements of New Horizons, Inc., have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Revenues are recognized when they become measurable and available as net current assets. Expenditures are recognized when they are incurred.

C. Basis of Presentation

The Organization has adopted FASB Accounting Standard Codification 958-205 “Not-for-Profit Organizations.” Under FASB ASC 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: The Organization adopted the requirements of the Financial Accounting Standards Board’s (FASB) Accounting Standards Update No. 2016-14, Not-for Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14). This update addresses net asset classification. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions.

All of the Organization’s net assets are considered net assets without donor restrictions for the fiscal year ended September 30, 2022. It is the Organization’s policy to report donor-restricted

NEW HORIZONS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

revenues whose restrictions are met in the same reporting period as support and revenue without donor restrictions. In addition, the Organization is required to present a statement of cash flows.

1. Summary of Significant Accounting Policies (Continued)

D. Income Tax Status

New Horizons, Inc., is a tax-exempt organization as described in Section 501(c) (3) of the Internal Revenue Code and is classified by the Internal Revenue Services as an organization other than a private foundation. New Horizons, therefore, is not subject to income taxes and, therefore, no provision for income taxes was made in the accompanying financial statements.

The Organization follows the provisions of the Accounting for Uncertainty in Income Taxes Topic of the FASB ASC. All tax returns have been appropriately filed by the Organization. The Organization recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The Organization had no tax interest and penalties for the year ended September 30, 2022.

The Organization's tax filings are subject to audit by various taxing authorities. The Organization's open audit periods are 2019 through 2022. Management evaluated the Organization's tax position and concluded that the Organization has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

E. Use of Estimates

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

F. Cash and Cash Equivalents

For purposes of reporting cash flows, New Horizons considers all highly liquid investments in money market funds, operating bank accounts and investments available for current use with initial maturity of three months or less to be cash equivalents.

G. Investments and Fair Value Measurements

FASB ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels:

NEW HORIZONS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

- Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority.

1. Summary of Significant Accounting Policies (Continued)

- Level 2 uses observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.
- Level 3 inputs have the lowest priority. Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing methods, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The certificate of deposit recorded in the accompanying financial statements has a balance of \$35,311. The certificate bears interest of 1.000% with a six-month maturity date of December 13, 2022. The Level 2 input used for the certificates of deposit was cost, which approximates fair value.

H. Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of each asset. The State of Louisiana and the federal government have a reversionary interest in property purchased with state and federal funds. Its disposition as well as the ownership of any proceeds therefrom is subject to state and federal regulations. All expenditures in excess of \$2,500 for property and equipment are capitalized.

I. Revenue and Support

Contributions received may be recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Federal and State contractual grant revenue is reported as unrestricted support due to the restrictions placed on those funds by the funding sources being met in the same reporting period as the revenue is earned.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if

NEW HORIZONS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily

1. Summary of Significant Accounting Policies (Continued)

restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

J. Retirement Obligations

The employees of New Horizons are members of the Social Security System. There are no other retirement plans available through New Horizons.

K. Compensated Absences

Annual leave is earned by employees as follows:

<u>Length of Service</u>	<u>Annual Leave Earned</u>
One year	One week
Over five years	Two weeks

Generally, up to four weeks of unused annual leave may be carried over to succeeding fiscal years.

Sick leave is earned at the rate of one day per calendar month of employment, and accumulates up to twelve days. Employees are not compensated for unused sick leave at termination.

L. Advertising

New Horizon's, Inc. expenses advertising costs as incurred. There was \$23,662 of advertising expenses for the year ended September 30, 2022.

M. Contributions

In accordance with the *Accounting for Contributions Received and Contributions Made* Topic of FASB ASC (FASB ASC 958), contributions received are recorded as donations without donor restrictions or donations with donor restrictions, depending on the existence or nature of any donor restrictions. Under ASC 958-55, such contributions are required to be

NEW HORIZONS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

reported as donations with donor restrictions and are then reclassified to donations without donor restrictions depending upon expiration of the related time restrictions or if the funds are expended in accordance with the donor's intention. The Organization has elected to recognize temporarily restricted contributions which are released from the restrictions in the same year as donations without restrictions.

1. Summary of Significant Accounting Policies (Continued)

N. Functional Allocation of Expense

The costs of providing the Organization's programs and services have been summarized on a functional basis in the Statement of Functional Expenses. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

O. Donated Services

No amounts have been reflected in the financial statements for donated services requiring specific expertise. However, many individuals volunteer time and perform a variety of tasks that assist the Organization with specific programs and assignment.

2. Concentrations of Credit Risk

Financial instruments that potentially subject New Horizons to concentrations of credit risk consist principally of temporary cash investments and grant receivables.

Concentrations of credit risk with respect to grant receivables are limited due to these amounts being due from governmental agencies under contractual terms. As of September 30, 2022, New Horizons had no significant concentrations of credit risk in relation to grant receivables.

New Horizons maintains cash balances at one financial institution which, at times, may exceed the federally insured deposit limits. At September 30, 2022, New Horizons had \$338,071 on deposit at this bank. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Management monitors the financial condition of the institution on a regular basis, along with their balances in cash and cash equivalents, to minimize this potential risk. As of September 30, 2022, New Horizons had uninsured risk of loss of \$88,071.

3. Contract and Grant Receivable

Various funding sources provide reimbursement of allowable costs and payment on units of service in connection with providing services under contracts or grant agreements. This balance represents amounts due from funding sources at September 30, 2022, but received after those

NEW HORIZONS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

dates. The following list indicates those funds due by funding source:

Medicaid	\$ 97,875
Federal and State Contracts	60,120
Total Contract and Grant Receivable	\$ <u>157,995</u>

4. Property and Equipment

Property and equipment consisted of the following at September 30, 2022:

	Estimated Depreciable <u>Life</u>	
Furniture and equipment	5 - 7 years	\$12,604
Accumulated depreciation		<u>(12,604)</u>
Net investment in property and equipment		\$ <u>0</u>

There was on depreciation expense for the year ended September 30, 2022.

5. Federal, State and Medicaid Contractual Revenue

During the year ended September 30, 2022, New Horizons received \$1,230,278 in revenue from Federal, State and Medicaid contracts and grants. The continued existence of these funds is based on annual contract renewals with various funding sources. All revenue from these grants is subject to audit and retroactive adjustment by the respective third-party fiscal intermediaries; adjustments in future periods may be necessary as final grant settlements are determined.

6. Leases

New Horizons, Inc., leases office space under several operating leases. Rental costs on those leases for the years ended September 30, 2022, was \$107,499. Commitments under lease agreements having initial or remaining non-cancelable terms in excess of one year as of September 30, 2022, are as follows:

Years Ending September 30

2023	\$	75,200
2024		61,280
2025		61,280
2026		61,280

NEW HORIZONS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Total \$ 259,040

7. Line of Credit

The Organization maintains a credit line for up to \$50,000. There was no outstanding balance on this line of credit on September 30, 2022.

8. Economic Dependency

New Horizons receives the majority of its revenue from funds provided by state and federal grants as well as through a contract for patient care services provided to Medicaid eligible individuals. If significant budget cuts are made at the federal and/or state level or the Medicaid contract is not renewed, the amount of funds New Horizons receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Center will receive in the next fiscal year.

9. Board of Directors Compensation

The Board of Directors is a voluntary board: therefore, no compensation or per diem has been paid to any Director

10. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 23, 2023, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

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

Board of Directors
New Horizons Inc.
Shreveport, Louisiana

I have audited the financial statements of the New Horizons Inc. as of and for the year ended September 30, 2022, and the related notes to the financial statements and have issued my report thereon dated March 23, 2023. I conducted my audit in accordance with auditing standards generally accepted in the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the New Horizons Inc.'s internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the New Horizons Inc.'s internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the New Horizons Inc.'s internal control over financial reporting.

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.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. Given these limitations, I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the New Horizons Inc.'s financial statements are free of material misstatement, I 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. The results of my 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Paul Dauzat
Certified Public Accountant
March 23, 2023

NEW HORIZONS, INC.
Shreveport, Louisiana

Schedule of Audit Findings a
For the Year Ended September 30, 2022

Section 1-Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	None
Significant deficiencies identified not considered to be material weaknesses	None
Noncompliance material to financial statements:	None
Management letter issued:	None

Section 2-Financial Statement Audit Findings

None

NEW HORIZONS, INC.
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED
September 30, 2022

There were no prior year findings for the fiscal year ended September 30, 2022.

NEW HORIZONS, INC.
Shreveport, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer

Year Ended September 30, 2022

Agency Head Name: Gale Dean, Executive Director

Purpose	Amount
Salary	\$ 50,982
Benefits-Insurance	None
Benefits-Retirement	None
Accrued Leave	None
Car Allowance	None
Vehicle Provided By Government	None
Per Diem	None
Reimbursements	None
Travel	None
Registration Fees	None
Conference Travel	None
Continuing Professional Education Fees	None
Housing	None
Unvouchered Expenses	None
Special Meals	None

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To: The Board of Directors
New Horizons, Inc.
Shreveport, Louisiana

I have performed the procedures attached, which were agreed to by New Horizons, Inc. 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 period October 1, 2021 through September 30, 2022. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated results are presented in the accompanying Schedule of Procedures, Results and Managements' response where applicable.

I was engaged by New Horizons, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. I was 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, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of New Horizons, Inc. and to meet my 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.



By: Paul Dauzat, CPA
Alexandria, Louisiana
March 23, 2023

RAPIDES SENIOR CITIZENS CENTER, INC.
STATEWIDE AGREED-UPON PROCEDURES
SCHEDULE OF PROCEDURES, RESULTS AND MANagements' RESPONE
For The Year Ended June 30, 2022

WRITTEN POLICIES AND PROCEDURES		
Agreed-Upon Procedure	Results	Managements' Response
1 Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions: * Budgeting * Purchasing * Disbursements * Receipts/Collections * Payroll/Personnel * Contracting * Credit Cards * Travel and expense reimbursements * Ethics * Debt * Disaster Recovery/Business Continuity * Sexual Harassment	Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes N/A Yes No	

**RAPIDES SENIOR CITIZENS CENTER, INC.
STATEWIDE AGREED-UPON PROCEDURES
SCHEDULE OF PROCEDURES, RESULTS AND MANagements' RESPONE
For The Year Ended June 30, 2022**

Board (or Finance Committee)		
Agreed-Upon Procedure	Results	Managements' Response
<p>2 Obtain and review the board/committee minutes for the fiscal period, and:</p> <p>a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation.</p> <p>b) Report whether the minutes reference or included monthly budget to actual comparisons on the general fund and any funds identified as major funds in the entity prior audit (GAAP basis).</p> <p>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, observe that the minutes for at least one meeting during the period referenced or included a formal plan to eliminate the negative unassigned fund balance.</p>	<p>Obtained board minutes for the period.</p> <p style="text-align: center;">Yes</p> <p style="text-align: center;">No</p> <p style="text-align: center;">N/A</p>	<p>Board minutes reference actual results only</p>

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Bank Reconciliations		
Agreed-Upon Procedure	Results	Managements' Response
<p>3 Obtain a listing of client bank accounts from management and management's representation that listing is complete. Identify the main operating account.</p> <p>Using the listing provided by management select the main operating account and a minimum of four (4) additional accounts or all if less than four (4) and report whether:</p> <p>a) Bank reconciliations have been prepared within 2 months of the related statement closing date.</p> <p>b) Bank reconciliations include evidence that a member of management or a board member who does not handle cash or issue checks has reviewed each bank reconciliation.</p> <p>c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months as of the end of the fiscal period.</p>	<p>Obtained listing and representation that includes one (1) account.</p> <p>Selected the main operating account.</p> <p>No</p> <p>No</p> <p>N/A</p>	 <p>Bank reconciliations are prepared monthly but no evidence of date prepared.</p> <p>Director signs off on bank statement but not on bank reconciliation.</p>

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Agreed-Upon Procedure	Collections Results	Managements' Response
<p>4 Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.</p>	<p>Obtained listing and representation which included one (1) location.</p>	
<p>5 Using the list provided by management, select a minimum of five (5) or all if less than 5 cash locations and obtain written documentation of job duties and /or inquire of employees about their job duties and observe that job duties are properly segregated.</p>	<p>Selected 1 location</p>	
<p>a) Employees responsible for cash collections do not share cash drawers/registers.</p>	<p>N/A</p>	
<p>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.</p>	<p>Yes</p>	
<p>c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.</p>	<p>Yes</p>	
<p>d) The employee responsible for reconciling cash collections to the general ledger is not responsible for collecting cash unless another employee/official verifies the reconciliation.</p>	<p>Yes</p>	
<p>6 Obtain a copy of the bond or insurance policy for theft covering all employees who have access to cash and determine that the policy was in force during the period.</p>	<p>Yes Obtained a copy of the policy which was in force during the period.</p>	

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Agreed-Upon Procedure	Collections Results	Managements' Response
<p>7 Select (2) deposit dates for each of the bank accounts selected for procedure #3 above and obtain supporting documentation for each of the deposits and:</p> <p>a) observe that receipts are sequentially pre-numbered.</p> <p>b) Trace pre-numbered receipts, reports and other collection documentation to deposit slip.</p> <p>c) Trace the deposit slip total to the actual deposit per the bank statement.</p> <p>d) Observe the deposit was made within 1 business day of receipt or 1 week if the deposit is less than \$100 and stored in a locked safe or drawer.</p> <p>e) Trace the actual deposit per the bank statement to the general ledger.</p>	<p>Selected 2 deposit dates from the main operating account.</p> <p>No</p> <p>No</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>Receipts ledger is used.</p>

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Non-Payroll Disbursements-General

Agreed-Upon Procedure	Results	Managements' Response
<p>8 Obtain a listing of entity disbursements locations from management and representation that listing is complete.</p>	<p>Obtained listing and representation which included one (1) location.</p>	
<p>9 For each location above obtain a listing of employees involved with non-payroll purchasing and payment function. Obtain documentation of employee job duties and/or inquire of employees about their job duties and that:</p>	<p>Obtained listing of employees with job titles/duties.</p>	
<p>a) At least 2 employees are involved in initiating a purchase request, approving a purchase and placing an order.</p>	<p>Yes</p>	
<p>b) At least 2 employees are involved in processing and approving payments to vendors.</p>	<p>Yes</p>	
<p>c) The employee responsible for processing payments is prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes.</p>	<p>No</p>	<p>Accounting software does not prohibit employees from modifying vendor files.</p>
<p>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.</p>	<p>Yes</p>	
<p>10 For each location selected under #8 above, obtain the non-payroll disbursement transaction population and obtain representation that the population is complete. Select 5 disbursements for each location and obtain supporting documentation for each transaction and:</p>	<p>Selected 5 disbursements from 1 location.</p>	
<p>a) Observe whether the disbursement matched the related original itemized invoice it indicates deliverables were received.</p>	<p>Yes</p>	
	<p>27</p>	

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Non-Payroll Disbursements-General		
Agreed-Upon Procedure	Results	Managements' Response
b) Observe whether disbursement documentation included evidence of segregation of duties tested under #9 above.	Yes	

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Credit Cards/Debit Cards/Fuel Cards		
Agreed-Upon Procedure	Results	Managements' Response
<p>11 Obtain from management a listing of all active credit cards, bank debit cards and fuel cards including card numbers and the names of persons who maintained possession of the cards.</p>	<p>Obtained listing with representation which included three (3) credit cards.</p>	
<p>12 Randomly select 5 cards (or all if less than 5). Randomly select one monthly statement and obtain supporting documentation and:</p> <p style="padding-left: 40px;">a. Observe whether there is evidence that the monthly statement and supporting documentation were reviewed and approved, in writing, by someone other than the authorized card holder.</p> <p style="padding-left: 40px;">b. Observe that finance charges and late fees were not assessed.</p>	<p>Selected three (3) credit cards.</p> <p style="text-align: center;">Yes</p> <p style="text-align: center;">Yes</p>	
<p>13 Using the monthly statements selected under #12 above, randomly select ten (10) transactions (or all if less than (10) from each statement, and obtain supporting documentation for the transactions and observe it is supported by an original itemized receipt that identifies what was purchased, written documentation of the business purpose.</p>		

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Travel and Expense Reimbursement

Agreed-Upon Procedure	Results	Managements' Response
<p>14 Obtain from management a listing of all travel and related expense reimbursements and representation that listing is complete. Randomly select 5 reimbursements and obtain expense reimbursement form and supporting documentation.</p> <p>a. If reimbursed using a per diem, observe the approved reimbursement rate is no more that those rates established either by the State of Louisiana or the U.S. General Services Administration.</p> <p>b. If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt of what was purchased.</p> <p>c. Observe each reimbursement is supported by documentation of the business purpose and identifies the names of individuals participating.</p> <p>d. Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.</p>	<p>Obtained listing and representation and selected 5 reimbursements.</p> <p>Yes The rate paid was 58 cents per mile.</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	

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Agreed-Upon Procedure	Contracts	
	Results	Managements' Response
<p>15 Obtain a listing of all contracts in effect during the fiscal period that were initiated or renewed and representation that the list is complete. Select 5 contracts or all if less than 5 and:</p>	N/A	
<p>a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law, if required.</p>	N/A	
<p>b) Observe whether the contract was approved by the governing body, if required by policy or law.</p>	N/A	
<p>c) If the contract was amended, observe the original contract terms provided for such an amendment and that amendments were mad in compliance with the contract terms.</p>	N/A	
<p>d) Select 1 payment for each contract, obtain supporting invoice, agree the invoice to the contract terms and report compliance with the terms of the contract.</p>	N/A	

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Payroll and Personnel		
Agreed-Upon Procedure	Results	Managements' Response
<p>16 Obtain a listing of employees (elected officials, if applicable) with their related salaries, and obtain management's representation that the list is complete. Randomly select 5 employees/officials, obtain their personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.</p> <p>17 Select 1 pay period during the fiscal year. For the employees/officials selected above, obtain attendance records and leave documentation for the pay period and:</p> <p style="padding-left: 20px;">a) Observe employees documented their daily attendance and leave.</p> <p style="padding-left: 20px;">b) Observe whether supervisors approved the attendance and leave of the employee or official.</p> <p style="padding-left: 20px;">c) Observe any leave accrued or taken during the pay period is reflected in the cumulative leave records.</p> <p style="padding-left: 20px;">d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.</p>	<p>Obtained listing and representation.</p> <p>Selected 5 employees/officials Employees are paid salaries set and approved by the board.</p> <p style="text-align: center;">Yes</p> <p>The entity has no paid leave.</p> <p style="text-align: center;">Yes</p> <p style="text-align: center;">Yes</p>	

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Payroll and Personnel		
Agreed-Upon Procedure	Results	Managements' Response
<p>18 Obtain a listing of employees or officials that received termination payments during the year and representation that listing is complete. Select 2 employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculation and the termination policy. Agree the hours to the cumulative leave records, agree the pay rates to the authorized pay rates in the personnel files, and agree the termination payment to the policy.</p> <p>19 Obtain 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.</p>	<p>Obtained listing and representation that listing was complete. Selected two (2) employees and documentation used in termination payments. Agreed hours to leave records and inspected termination policy.</p> <p style="text-align: center;">Obtained representation Yes</p>	

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Ethics		
Agreed-Upon Procedure	Results	Managements' Response
<p>20 Using the five randomly selected employees/officials, from #16 above obtain ethics compliance documentation from management and:</p> <ul style="list-style-type: none"> a) Observe whether the documentation demonstrates each employee/official completed 1 hour of ethics training during the fiscal period. b) 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. 	<p>N/A</p> <p>N/A</p>	<p>Will complete during 2023 fiscal year.</p>

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Debt Service		
Agreed-Upon Procedure	Results	Managements' Response
<p>21 Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and representation that the listing is complete. Select all debt instruments, obtain supporting documentation, and observe State Bond commission approval was obtained.</p>	<p>No Debt Service</p>	
<p>22 Not Applicable</p>		

Fraud Notice		
<p>23 Obtain a listing of misappropriations of public funds and assets during the fiscal period and representation that listing is complete. Select all misappropriations, obtain supporting documentation, and observe that the entity reported the misappropriations to the Legislative Auditor and the District Attorney of the parish is which the entity is domiciled.</p>	<p>No misappropriations, fraud, waste, or abuse of public funds reported.</p>	
<p>24 Observe the entity has posted, on it's premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.</p>	<p>Yes</p>	

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Information Technology Disaster Recovery/Business Continuity		
Agreed-Upon Procedure	Results	Managements' Response
<p>25 Perform the following procedures, verbally discuss the results with management.</p> <p>a) Obtain and inspect the entity's most recent documentation that it has backed up its 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.</p> <p>b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored and observe evidence that the test/verification was successfully performed within the past 3 months.</p> <p>c) Obtain a listing of the entity's computers currently in use and their related locations and representation that the listing is complete. Select 5 computers or all if less than 5, and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting software in use are currently supported by the vendor.</p>	<p>I performed the procedure and discussed the results with management.</p> <p>I performed the procedure and discussed the results with management.</p> <p>I performed the procedure and discussed the results with management.</p>	

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Sexual Harassment		
Agreed-Upon Procedure	Results	Managements' Response
<p>26 Using the selected employees/officials from #16 above, obtain sexual harassment training documentation and observe the documentation demonstrates each employee/official completed at least 1 hour of sexual harassment training during the calendar year.</p> <p>27 Observe the entity has posted its sexual harassment policy and complaint procedure on its website or in a conspicuous location on premises.</p> <p>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:</p> <p style="padding-left: 20px;">a) Number and percentage of public servants in the agency who have completed the training requirements.</p> <p style="padding-left: 20px;">b) Number of sexual harassment complaints received by the agency.</p> <p style="padding-left: 20px;">c) Number of complaints which resulted in a finding that sexual harassment occurred.</p> <p style="padding-left: 20px;">d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action.</p> <p style="padding-left: 20px;">e) Amount of time it took to resolve each complaint.</p>	<p>Selected five (5) employees and obtained sexual harassment training documentation.</p> <p style="text-align: center;">No</p> <p style="text-align: center;">No report</p> <p style="text-align: center;">N/A</p> <p style="text-align: center;">N/A</p> <p style="text-align: center;">N/A</p> <p style="text-align: center;">N/A</p> <p style="text-align: center;">N/A</p>	<p>Will develop policy in 2023.</p>