

**NEW ORLEANS WOMEN &
CHILDREN'S SHELTER, INC.**

Audits of Consolidated Financial Statements

December 31, 2020 and 2019



Contents

Independent Auditor's Report	1 - 2
-------------------------------------	-------

Consolidated Financial Statements

Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statement of Functional Expenses - 2020	5
Consolidated Statement of Functional Expenses - 2019	6
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8 - 14

Supplementary Information

Schedule of Compensation, Benefits, and Other Payments to Agency Head	16
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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	17 - 18
--	---------

Schedule of Findings and Responses	19
---	----

Schedule of Prior Audit Findings	20
---	----

Independent Auditor's Report

The Board of Directors
New Orleans Women & Children's Shelter, Inc.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the New Orleans Women & Children's Shelter, Inc. (the Organization), which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Orleans Women & Children's Shelter, Inc. as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 11 to the financial statements, subsequent to the issuance of the Organization's 2019 financial statements, management determined that the 2019 grants receivable and grants revenue balances were understated by \$49,239. As a result, the Organization restated 2019 grants receivable and grants revenue. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2021 on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the Organization'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 the Organization's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Covington, LA
May 5, 2021

NEW ORLEANS WOMEN & CHILDREN'S SHELTER, INC.
Consolidated Statements of Financial Position
December 31, 2020 and 2019

	2020	2019 Restated
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 598,543	\$ 349,752
Development Fee Receivable	8,200	6,952
Grants Receivable	209,514	157,529
Prepaid Expenses	4,550	4,550
	<hr/>	<hr/>
Total Current Assets	820,807	518,783
	<hr/>	<hr/>
Property and Equipment, Net	7,695	9,234
	<hr/>	<hr/>
Other Assets		
Deposits	6,875	6,875
	<hr/>	<hr/>
Total Assets	\$ 835,377	\$ 534,892
	<hr/> <hr/>	<hr/> <hr/>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 20,977	\$ 11,274
Line of Credit	-	75,000
Current Portion of Paycheck Protection Program Loan	82,071	-
	<hr/>	<hr/>
Total Current Liabilities	103,048	86,274
	<hr/>	<hr/>
Long-Term Liabilities		
Paycheck Protection Program Loan, Net of Current Portion	67,635	-
	<hr/>	<hr/>
Total Liabilities	170,683	86,274
	<hr/>	<hr/>
Net Assets		
Without Donor Restrictions	664,694	448,618
	<hr/>	<hr/>
Total Net Assets	664,694	448,618
	<hr/>	<hr/>
Total Liabilities and Net Assets	\$ 835,377	\$ 534,892
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The accompanying notes are an integral part of these consolidated financial statements.

NEW ORLEANS WOMEN & CHILDREN'S SHELTER, INC.
Consolidated Statements of Activities
For the Years Ended December 31, 2020 and 2019

	2020	2019 Restated
Net Assets Without Donor Restrictions		
Revenues and Other Support		
Grants	\$ 572,765	\$ 684,381
Contributions	713,465	473,187
Special Events	79,531	141,936
Donated Materials	128,449	122,489
Development Fee	22,571	21,322
Interest Income	1,816	2,388
	<hr/>	<hr/>
Total Revenues and Other Support	1,518,597	1,445,703
Expenses		
Program Services		
Wraparound Program	1,122,366	1,369,317
Supporting Services		
Management and General	126,035	147,032
Fundraising	54,120	88,582
	<hr/>	<hr/>
Total Expenses	1,302,521	1,604,931
Change in Net Assets Without Donor Restrictions	216,076	(159,228)
Net Assets, Beginning of Year	448,618	607,846
	<hr/>	<hr/>
Net Assets, End of Year	\$ 664,694	\$ 448,618
	<hr/>	<hr/>

The accompanying notes are an integral part of these consolidated financial statements.

NEW ORLEANS WOMEN & CHILDREN'S SHELTER, INC.
Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2020

	Program Services		Supporting Services		Total
	Wraparound Program	Management and General	Fundraising		
Salaries, Benefits, and Related Expenses	\$ 555,833	\$ 69,423	\$ 18,558	\$	\$ 643,814
Program Consumables	334,445	-	-		334,445
Rent and Utilities	157,684	11,630	3,238		172,552
Professional Fees	36,366	21,293	11,159		68,818
Insurance	30,873	11,562	1,110		43,545
Supplies and Printing	5,469	11,176	9,207		25,852
Special Events and Fundraising	-	-	10,781		10,781
Depreciation Expense	1,539	-	-		1,539
Other Expenses	157	951	67		1,175
Total	\$ 1,122,366	\$ 126,035	\$ 54,120	\$	\$ 1,302,521

The accompanying notes are an integral part of these consolidated financial statements.

NEW ORLEANS WOMEN & CHILDREN'S SHELTER, INC.
Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2019 (Restated)

	<u>Program Services</u>	<u>Supporting Services</u>		Total
	Wraparound Program	Management and General	Fundraising	
Salaries, Benefits, and Related Expenses	\$ 692,850	\$ 62,907	\$ 19,312	\$ 775,069
Program Consumables	467,737	-	-	467,737
Rent and Utilities	129,470	13,380	4,854	147,704
Professional Fees	32,759	43,476	6,575	82,810
Special Events and Fundraising	-	-	44,247	44,247
Insurance	34,632	5,791	1,001	41,424
Supplies and Printing	9,236	14,852	12,124	36,212
Other Expenses	1,094	6,626	469	8,189
Depreciation Expense	1,539	-	-	1,539
Total	\$ 1,369,317	\$ 147,032	\$ 88,582	\$ 1,604,931

The accompanying notes are an integral part of these consolidated financial statements.

NEW ORLEANS WOMEN & CHILDREN'S SHELTER, INC.
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2020 and 2019

	2020	2019 Restated
Cash Flows from Operating Activities		
Change in Net Assets	\$ 216,076	\$ (159,228)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used In) Operating Activities		
Depreciation	1,539	1,539
Changes in Operating Assets and Liabilities		
Development Fee Receivable	(1,248)	11,025
Grants Receivable	(51,985)	70,453
Deposits	-	(6,875)
Accounts Payable and Accrued Expenses	9,703	(11,937)
Net Cash Provided by (Used In) Operating Activities	174,085	(95,023)
Cash Flows from Financing Activities		
(Payments) Proceeds on Line of Credit	(75,000)	75,000
Proceeds from Paycheck Protection Program Loan	149,706	-
Net Cash Provided by Financing Activities	74,706	75,000
Net Increase (Decrease) in Cash and Cash Equivalents	248,791	(20,023)
Cash and Cash Equivalents, Beginning of Year	349,752	369,775
Cash and Cash Equivalents, End of Year	\$ 598,543	\$ 349,752

The accompanying notes are an integral part of these consolidated financial statements.

NEW ORLEANS WOMEN & CHILDREN'S SHELTER, INC.

Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies

History and Organization

The New Orleans Women & Children's Shelter, Inc. (the Organization), which opened in August of 2007 in the aftermath of Hurricane Katrina (then known as the New Orleans Women's Shelter), focuses on breaking the cycle of homelessness and keeping homeless families from returning to the streets. The Organization's Wraparound Program provides a continuum of safe shelter, personalized case management, and wraparound services to homeless families at no cost and addresses the unique needs of each family to equip them with the skills and resources they need to live stable, independent, and fulfilling lives.

The Organization is organized as a private, non-profit corporation, chartered in the State of Louisiana, and granted 501(c)(3) status by the Internal Revenue Service. It is governed by a 12-member independent volunteer Board of Directors.

Basis of Consolidation and Presentation

These financial statements have been consolidated to include all accounts of New Orleans Women & Children's Shelter, Inc. and its wholly-owned subsidiary, NOWS Iberville, L.L.C. All significant intercompany accounts and transactions have been eliminated. Investments in entities in which the Organization cannot exercise significant influence, but does own a majority equity interest, are accounted for using the equity method and are included as equity method investment on the consolidated statements of financial position.

Basis of Accounting

The financial statements of the Organization are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, the Organization considers all highly liquid investments in money market funds to be cash equivalents.

Grants Receivable

Grants receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to bad debt expense and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to grants receivable. There was no valuation allowance for grants receivable as of December 31, 2020 and 2019.

Property and Equipment

Property and equipment which meet the capitalization criteria are recorded at cost and are depreciated over their estimated useful life of 5 to 10 years. Leasehold improvements are amortized over the remaining life of the lease.

NEW ORLEANS WOMEN & CHILDREN'S SHELTER, INC.

Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Net Assets

The accompanying financial statements have been prepared to focus on the Organization as a whole and to present its net assets, revenues, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported in two classes of net assets - without donor restrictions and with donor restrictions, as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations. The revenues received and expenses incurred in conducting the mission of the Organization are included in this category.

Net Assets With Donor Restrictions - Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. There were no net assets with donor restrictions at December 31, 2020 or 2019.

Revenue Recognition

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. During the years ended December 31, 2020 and 2019, the Organization did not receive any conditional promises to give.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statements of financial position. For the years ended December 31, 2020 and 2019, the Organization did not receive any amounts prior to incurring qualifying expenditures.

Advertising Costs

Advertising costs are expensed as incurred and totaled \$1,421 and \$4,632 during the years ended December 31, 2020 and 2019, respectively.

NEW ORLEANS WOMEN & CHILDREN'S SHELTER, INC.

Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of functional expenses for the years ended December 31, 2020 and 2019. The consolidated statements of functional expenses for the years ended December 31, 2020 and 2019 present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Organization is a not-for-profit exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. The Organization believes that it has appropriate support for any tax positions taken, and management has determined that there are no uncertain tax positions that are material to the financial statements.

Penalties and interest assessed by income taxing authorities, if any, would be included in income tax expense.

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 could affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results and the results of future periods could differ from those estimates.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. A modified retrospective transition approach is required. An entity may adopt the guidance either (1) retrospectively to each prior reporting period presented in the financial statements with a cumulative-effect adjustment recognized at the beginning of the earliest comparative period presented, or (2) retrospectively at the beginning of the period of adoption through a cumulative-effect adjustment. The new standard also provides a number of practical expedients. The FASB voted to extend the nonpublic implementation date and now ASU 2016-02 is effective for financial statements issued for annual periods beginning after December 15, 2021. Management is currently evaluating the impact of the pending adoption of the new standard on its financial statements, as well as the election of any available practical expedients and the manner of the modified retrospective transition approach.

NEW ORLEANS WOMEN & CHILDREN'S SHELTER, INC.

Notes to Consolidated Financial Statements

Note 2. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following at December 31, 2020:

Cash and Cash Equivalents	\$ 598,543
Development Fee Receivable	8,200
Grants Receivable	<u>209,514</u>
Total	<u>\$ 816,257</u>

As part of its liquidity management plan, the Organization invests cash in excess of daily requirements in short-term investments, CDs, and money market funds.

Note 3. Concentration of Credit Risk

The Organization periodically maintains cash in bank accounts in excess of insured limits. At December 31, 2020 and 2019, the Organization's cash included bank deposit accounts aggregating approximately \$302,000 and \$77,000, respectively, in excess of the Federal Deposit Insurance Corporation limit of \$250,000 per institution.

During the year ended December 31, 2020, the Organization received revenues from two funding sources which represent 22% of total revenues. Accounts receivable from these funding sources represented 46% of grants receivable at December 31, 2020. During the year ended December 31, 2019, the Organization received revenues from three funding sources which represent 44% of total revenues. Accounts receivable from these funding sources represented 81% of grants receivable at December 31, 2019.

Note 4. Development Fee Receivable

On August 5, 2013, the Organization entered into an agreement with a certain real estate development company to assist in developing a twenty-three-unit residential project (the Project) in New Orleans, Louisiana. The Organization is to receive a fee totaling \$485,117, of which \$148,196 is based on cash flow to the extent available for payment of such fee by the Project, through December 31, 2028. As of December 31, 2020 and 2019, the Organization has earned a total of \$410,311 and \$388,740, respectively, of development fees and has a receivable balance of \$8,200 and \$6,952, respectively.

NEW ORLEANS WOMEN & CHILDREN'S SHELTER, INC.

Notes to Consolidated Financial Statements

Note 5. Property and Equipment

At December 31, 2020 and 2019, property and equipment consisted of the following:

	2020	2019
Leasehold Improvements	\$ 15,390	\$ 15,390
Less: Accumulated Depreciation	<u>(7,695)</u>	<u>(6,156)</u>
Property and Equipment, Net	<u>\$ 7,695</u>	<u>\$ 9,234</u>

Depreciation expense totaled \$1,539 for each of the years ended December 31, 2020 and 2019.

Note 6. Line of Credit

The Organization maintains a \$250,000 revolving line of credit with a lender, at a rate of 5.0% per annum based on a year of 360 days, expiring September 2021. The assets of the Organization are pledged to secure the line of credit. The balance on the line of credit at December 31, 2020 and 2019 totaled \$-0- and \$75,000, respectively.

Note 7. Coronavirus Response

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern", and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates. While it is unknown how long these conditions will last and what the complete financial effect will be to the Organization, to date, the Organization is experiencing lower than normal census, scaled back programming, and temporary furloughs of high-risk employees. Additionally, it is reasonably possible that estimates made in the financial statements have been, or will be, materially and adversely impacted in the near-term as a result of these conditions.

NEW ORLEANS WOMEN & CHILDREN'S SHELTER, INC.

Notes to Consolidated Financial Statements

Note 7. Coronavirus Response (Continued)

The Organization obtained a \$149,706 loan from Liberty Bank under the Paycheck Protection Program (PPP) in April 2020. The promissory note provides for monthly installments of \$8,427 including interest at 1% from March 2021 through April 2022. The PPP Flexibility Act of 2020 delayed repayment of principal and interest until the date that the forgiveness amount is remitted to the lender by the Small Business Administration (SBA). Under the terms of the PPP, up to 100% of the loan (and related interest) may be forgiven if the proceeds are used for covered expenses and certain other requirements related to wage rates and maintenance of full-time equivalents are met. The Organization applied for forgiveness on October 1, 2020 and, based on guidance as of May 5, 2021, expects to achieve full forgiveness of the loan and accrued interest. The short-term portion of the loan was \$82,071 at December 31, 2020 under the terms of the loan.

The Organization obtained a \$10,000 Economic Injury Disaster Loan (EIDL) Emergency Advance in April 2020. The program was originally established under the Coronavirus Aid, Relief, and Economic Security (CARES) Act to advance amounts up to \$10,000 to provide economic relief to small businesses that were currently experiencing a temporary loss of revenue. Advances under the EIDL Emergency Advance program do not have to be repaid. This amount is recorded in the consolidated statement of activities in grant revenue for the year ended December 31, 2020.

Note 8. Equity Method Investment

Equity Investment in Iberville Offsite Rehab 2 Managing Member, L.L.C.

On August 2, 2013, NOWS Iberville, L.L.C. (NOWSI), a wholly-owned subsidiary of the Organization, contributed \$100 to acquire 51% interest of Iberville Offsite Rehab 2 Managing Member, L.L.C. (the Investee). The equity method was suspended during the year ended December 31, 2015, as NOWSI's share of net losses exceeded its capital contribution. At December 31, 2020 and 2019, the capital account of NOWSI had an accumulated deficit of \$15,051 and \$309, respectively, and the carrying amount of the investment was \$-0-. NOWSI does not have effective control of the Investee and is not committed to provide further financial support for the Investee per the operating agreement.

Note 9. Commitments

The Organization is obligated under a cancelable operating lease for a property. The lease contains escalation clauses providing for increased rentals if extended.

In June 2019, the Organization entered into an operating lease for a property with a minimum monthly payment totaling \$875. The lease terminated in March 2020.

In January 2019, the Organization entered into an operating lease for office equipment with a minimum monthly payment totaling \$175. The lease terminates January 2024.

NEW ORLEANS WOMEN & CHILDREN'S SHELTER, INC.

Notes to Consolidated Financial Statements

Note 9. Commitments (Continued)

Future minimum lease payments as of December 31, 2020 are as follows:

Year Ending December 31,	Amount
2021	\$ 56,700
2022	59,450
2023	59,700
2024	57,600
2025	57,600
Thereafter	<u>4,800</u>
Total	<u><u>\$ 295,850</u></u>

Rent expense totaled \$59,325 and \$62,096 for the years ended December 31, 2020 and 2019, respectively.

Note 10. Functionalized Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, benefits, and related expenses, rent and utilities, supplies and printing, insurance, professional fees, and other expenses, which are allocated on the basis of estimates of time and effort.

Note 11. Prior Period Adjustment

The accompanying financial statements for 2019 have been restated to correct an error made in prior year. The error relates to an understatement of grants receivable and grants revenue in 2019. The effect of the restatement was to increase grants receivable and grants revenue for the year ended December 31, 2019 by \$49,239.

Note 12. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, May 5, 2021, and determined that no events occurred that require disclosure.

SUPPLEMENTARY INFORMATION

NW ORLEANS WOMEN & CHILDREN'S SHELTER, INC.
Schedule of Compensation, Benefits, and Other Payments to
Agency Head
For the Year Ended December 31, 2020

Louisiana Revised Statute (R.S.) 24:513(A)(3) as amended by Act 706 of the 2014 Regular Legislative Session requires that the total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expense, per diem, and registration fees, be reported as a supplemental report within the financial statements of local governmental and quasi-public auditees. In 2015, Act 462 of the 2015 Regular Session of the Louisiana Legislature further amended R.S. 24:513(A)(3) to clarify that nongovernmental entities or not-for-profit entities that receive public funds shall report only the use of public funds for the expenditures itemized in the supplemental report.

Agency Head
Dawn Fletcher, Executive Director

Purpose	Amount
Salary	\$81,200
Bonus	\$7,150
Benefits - Insurance	\$8,735
Benefits - Retirement	\$0
Benefits - Other	\$0
Car Allowance	\$0
Vehicle Provided by Organization	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Miscellaneous Expenses	\$0

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

Independent Auditor's Report

To the Board of Directors
New Orleans Women & Children's Shelter, Inc.

We have audited, 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, the consolidated financial statements of New Orleans Women & Children's Shelter, Inc. (the Organization), which comprise the consolidated statement of financial position as of December 31, 2020, the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated May 5, 2021.

Internal Control Over Financial Reporting

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

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

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

We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2020-001, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated 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 consolidated 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 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.

Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Covington, LA
May 5, 2021

NW ORLEANS WOMEN & CHILDREN'S SHELTER, INC.
Schedule of Findings and Responses
For the Year Ended December 31, 2020

Part I - Summary of Auditor's Results

Financial Statements

- | | |
|--|------------|
| 1. Type of auditors' report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified? | Yes |
| 3. Noncompliance material to the financial statements noted? | No |

Federal Awards

Not applicable.

Part II - Financial Statement Findings

2020-001 Grants Receivable and Grants Revenue

Condition: In reviewing the grants receivable balance, we noted that the Organization was not appropriately applying grant receipts to grant receivable balances.

Cause: Grant receipts were not being tracked separately for the purpose of calculating the grants receivable balance at year-end.

Effect: Grants receivable and grants revenue were understated in 2019.

Recommendation: We recommend that management improve the internal tracking of and controls over grants revenue and receivables.

Management's Response: Management is working with an outside accountant to improve internal processes over the handling of grants receipts and the tracking of grants receivable.

NW ORLEANS WOMEN & CHILDREN'S SHELTER, INC.
Schedule of Prior Audit Findings
For the Year Ended December 31, 2020

None.