

**FAMILY ROAD OF GREATER BATON ROUGE, INC.**  
Baton Rouge, Louisiana

**FINANCIAL REPORT**

December 31, 2022

**FAMILY ROAD OF GREATER BATON ROUGE, INC.**  
Baton Rouge, Louisiana

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Certified Public Accountant

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Family Road of Greater Baton Rouge, Inc.  
Baton Rouge, Louisiana

**Report on the Audit of the Financial Statements**

***Opinion***

I have audited the financial statements of Family Road of Greater Baton Rouge, Inc. (Family Road), which comprise the statement of financial position as of December 31, 2022, and the related statement of activities, functional expenses and cash flows for the fifteen months then ended, and the related notes to the financial statements.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Family Road as of December 31, 2022, and the changes in its net assets and its cash flows for the fifteen months then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

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 Family Road and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

***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.

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*Society of Louisiana Certified Public Accountants*

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 Family Road's ability to continue as a going concern for one year beyond the date that the financial statements are issued.

### ***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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement of 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 appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Family Road'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 Family Road'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 an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits and Other Payments to the Agency Head or Chief Executive Officer, as required by the State of Louisiana, and the Schedule of Expenditures of Federal Awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform*

*Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not 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 Schedule of Compensation, Benefits and Other Payments to the Agency Head or Chief Executive Officer and the Schedule of Expenditures of Federal Awards 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*, I have also issued my report dated June 12, 2023, on my consideration of Family Road's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant 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 Family Road's internal control over financial reporting and compliance.



John L. McKowen, CPA  
Baton Rouge, Louisiana  
June 12, 2023

**FAMILY ROAD OF GREATER BATON ROUGE, INC.**

Baton Rouge, Louisiana

**STATEMENT OF FINANCIAL POSITION**

December 31, 2022

**ASSETS**

Current Assets

Cash and cash equivalents	\$	63,108
Grants receivable		100,000
Total Current Assets		<u>163,108</u>

Property and Equipment

Building		432,382
Furniture and equipment		491,940
Leasehold improvements		518,439
		<u>1,442,761</u>
Less: Accumulated depreciation		(1,023,606)
Net Property and Equipment		<u>419,155</u>

Total Assets \$ 582,263

**LIABILITIES**

Current Liabilities

Accounts payable	\$	20,687
Accrued expenses		57,117
Total Current Liabilities		<u>77,804</u>

Long-Term Liabilities

Total Long-Term Liabilities -

Total Liabilities 77,804

**NET ASSETS**

Without donor restrictions		436,873
With donor restrictions		67,586
Total Net Assets		<u>504,459</u>

**Total Liabilities and Net Assets** \$ 582,263

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

**FAMILY ROAD OF GREATER BATON ROUGE, INC.**  
 Baton Rouge, Louisiana  
**STATEMENT OF ACTIVITIES**  
 For the Fifteen Months ended December 31, 2022

**CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS**

Unrestricted revenue		
Grants		15,000
Public support		38,645
Other		25,855
	Total unrestricted revenue	79,500
Net assets released from restrictions		1,931,190
	Total unrestricted revenue and other support	2,010,690
Expenses		
Program		1,671,609
Management and general		282,637
Fundraising		15,250
	Total expenses	1,969,496
	Change in net assets without donor restrictions	41,194

**CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS**

Restricted grants		1,971,254
Net assets released from restrictions		(1,931,190)
	Change in net assets with donor restrictions	40,064
<b>TOTAL CHANGE IN NET ASSETS</b>		81,258
Net assets at beginning of year		423,201
	<b>Net assets at end of year</b>	<b>\$ 504,459</b>

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

**FAMILY ROAD OF GREATER BATON ROUGE, INC.**  
Baton Rouge, Louisiana

**STATEMENT OF FUNCTIONAL EXPENSES**  
For the Fifteen Months ended December 31, 2022

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and contract labor	\$ 1,163,308	\$ 55,108	\$ -	\$ 1,218,416
Payroll taxes and employee benefits	207,334	44,858	-	252,192
Utilities and building maintenance	2,807	38,872	-	41,679
Insurance	4,458	27,066	-	31,524
Depreciation	-	42,520	-	42,520
Meetings, travel and education	30,540	1,990	-	32,530
Legal and accounting fees	18,951	20,004	-	38,955
Marketing	26,406	1,520	-	27,926
Telephone	39,712	6,040	-	45,752
Technology and office expense	74,230	36,164	-	110,394
Printing and publications	13,629	2,258	-	15,887
Fundraising expenses	-	-	15,250	15,250
Program and other expenses	90,234	6,237	-	96,471
	<u>\$ 1,671,609</u>	<u>\$ 282,637</u>	<u>\$ 15,250</u>	<u>\$ 1,969,496</u>

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



**FAMILY ROAD OF GREATER BATON ROUGE, INC.**  
 Baton Rouge, Louisiana  
**STATEMENT OF CASH FLOWS**  
 For the Fifteen Months ended December 31, 2022

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 81,258
Adjustments to reconcile the change in net assets to net cash provided by operating activities	
Depreciation	42,520
Changes in operating assets and liabilities:	
Accounts receivable	(100,000)
Accrued expenses and accounts payable	(37,692)
Net cash used by operating activities	(13,914)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Acquisition of capital assets	(25,997)
Net cash used by investing activities	(25,997)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Net cash provided by financing activities	-
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Net decrease in cash and cash equivalents	(39,911)
Cash and cash equivalents, beginning of year	103,019
Cash and cash equivalents, end of year	\$ 63,108

Family Road had no interest expense and no income tax expense for the fifteen months ended December 31, 2022.

The accompanying notes are an integral part of these statements.

**FAMILY ROAD OF GREATER BATON ROUGE, INC.**  
Baton Rouge, Louisiana  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and purpose**

Family Road of Greater Baton Rouge, Inc. (the Organization) is a Louisiana nonprofit corporation organized to provide a place to help meet the needs of families through collaboration and coordination of community resources. The sources of income to the Organization include donations (public support), grants, donated services and materials.

The Healthy Start grant was initially awarded to the Organization during the year ended September 30, 2002. The grant has been continually renewed since that time and is currently scheduled through March 31, 2024. Funding is provided by the U.S. Department of Health and Human Services through the Health Resources and Services Administration -- Maternal and Child Health Bureau. The overall goal of the Family Road Healthy Start program is to reduce the high rate of infant mortality and minimize the racial disparity that exists in the project's service area and to improve access to quality maternal and child health services. Through outreach and recruitment, case management, health education, interconceptional care, depression screening and referral, and collaboration; Family Road Healthy Start provides services to prenatal and interconceptional women, infants, the fathers/partners, and their children and families. Access to quality health care, a skilled healthcare workforce, ensuring a responsive perinatal system and focusing on establishing overall health equity are important and providing aid to each program participant enrolled in achieving better maternal and birth outcomes.

**Basis of accounting and reporting**

Family Road of Greater Baton Rouge, Inc. prepares its financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Family Road of Greater Baton Rouge, Inc. reports its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. As of December 31, 2022, Family Road of Greater Baton Rouge, Inc. had net assets without donor restrictions of \$436,873, and net assets with donor restrictions of \$67,586.

**FAMILY ROAD OF GREATER BATON ROUGE, INC.**

Baton Rouge, Louisiana

**NOTES TO FINANCIAL STATEMENTS**

**Cash and cash equivalents**

Cash and cash equivalents include all monies in banks with original maturities of 90 days or less. Restricted cash represents amounts held by the Organization with donor-imposed restrictions

**Promises to give**

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions and grants are reported as increases in net assets with donor restriction. When a restriction expires, net assets with donor restrictions are reclassified as net assets without donor restrictions.

The Organization uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made. Management has determined that no allowance is necessary as of December 31, 2022.

**Property and equipment**

Property and equipment are stated at historical cost. Depreciation of property and equipment is based upon the estimated useful lives of the assets, which range from 5-39 years, using the straight-line method. Maintenance and repairs are charged to expense, while additions and improvements are capitalized.

**Contributed materials and services**

The Organization recognizes contribution revenue for certain services received at the estimated fair value of those services, provided those services create or enhance non-financial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased, if not provided for by donation.

Donated materials and equipment are reflected as contribution income and expense in the accompanying financial statements at their estimated values at the date of receipt.

**Contributions**

Contributions and grants received are recorded as those with donor restrictions or without donor restrictions depending on the nature of any donor restrictions.

## **FAMILY ROAD OF GREATER BATON ROUGE, INC.**

Baton Rouge, Louisiana

### **NOTES TO FINANCIAL STATEMENTS**

#### **Income taxes**

Family Road of Greater Baton Rouge, Inc. is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. The Organization's Form 990, *Return of Organization Exempt from Income Tax*, for the years 2020, 2021 and 2022 are subject to examination by the IRS.

#### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **Recent Accounting Pronouncements**

In February, 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The guidance in ASU 2016-02 and its amendments supersedes the leasing guidance in Topic 840 entitled *Leases*. Under the guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms of longer than 12 months. Leases are to be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of activities. For nonpublic entities, the standard is effective for fiscal years beginning after December 15, 2021. There were no impacts to the financial statements due to the adoption of ASU 2016-02.

#### **NOTE 2 – CASH**

Family Road maintains four bank accounts at the same financial institution. The cash in this institution is maintained in demand deposit accounts. Family Road's unreconciled cash balance per bank as of December 31, 2022 was \$68,065. Family Road's deposits are fully insured by the Federal Deposit Insurance Corporation (FDIC) as they are below the maximum insured amount of \$250,000.

#### **NOTE 3 – PENSION PLAN**

All employees, 18 years of age or older, are eligible to participate in the Employee Retirement Savings Plan at the date of hire. Employees may make voluntary contributions of up to 25% of their pay, up to \$18,000 per year. The Organization currently offers a 3% match under this plan.

**FAMILY ROAD OF GREATER BATON ROUGE, INC.**  
Baton Rouge, Louisiana

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 – PROPERTY AND EQUIPMENT**

At December 31, 2022, property and equipment was as follows:

<u>Description</u>	<u>Estimated Service Life</u>	<u>Amount</u>
Buildings and improvements	10-40 years	\$ 950,821
Furniture and equipment	5-10 years	491,940
		<u>1,442,761</u>
Less accumulated depreciation		(1,023,606)
		<u>\$ 419,155</u>

Depreciation expense for the year ended June 30, 2022 was \$42,520.

Additions during the year ended June 30, 2022 included equipment costing \$15,072, and building improvements costing \$10,925.

**NOTE 5 – ECONOMIC DEPENDENCY**

Family Road derives the majority of its revenue from governmental entities, the loss of which would have a material adverse effect on the Organization. During the fifteen months ended December 31, 2022, revenue received from governmental entities amounted to 65% of total revenue. The Organization also received an additional 14% of total revenue from a nonprofit organization.

**NOTE 6 – CONTINGENCIES**

Family Road receives federal and state grants for specific purposes that are subject to audit by the granting agencies. Such audit could lead to requests for reimbursement to the granting agency for expenditures disallowed under the terms of the grant document or contract. Management is of the opinion that Family Road's compliance with the terms of all contracts and grant documents will result in negligible, if any, disallowed costs.

**NOTE 7 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization's financial assets that are available for use within one year of the statement of net position date for general expenses consist of unrestricted cash and receivables of \$95,522. As part of the Organization's liquidity management, Family Road

structures its financial assets to be available as expenditures, liabilities and other obligations come due.

**NOTE 8 – RELATED PARTY TRANSACTIONS**

During the fifteen months ended December 31, 2022, Family Road of Greater Baton Rouge paid Clay Young Enterprises, LLC a total of \$11,115 for advertising services. Mr. Young serves on the board of directors of Family Road.

**NOTE 7 – SUBSEQUENT EVENTS**

Management of Family Road of Greater Baton Rouge, Inc. has evaluated subsequent events through June 12, 2023, the date that the financial statements were available to be issued and has determined that no events have occurred that require disclosure.

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**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**

To the Board of Directors  
Family Road of Greater Baton Rouge, Inc.  
Baton Rouge, Louisiana

I 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 Family Road of Greater Baton Rouge, Inc. (Family Road or the Organization), a Louisiana non-profit corporation, which comprise the statement of financial position as of December 31, 2022 and the related statement of activities, functional expenses and cash flows for the fifteen months then ended, and the related notes to the financial statements, and have issued my report thereon dated June 12, 2023.

**Internal Control over Financial Reporting**

In planning and performing my audit of the financial statements, I considered Family Road's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Family Road's internal control. Accordingly, I do not express an opinion on the effectiveness of Family Road's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or 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 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Family Road's financial statements are free from 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. 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 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 Revised Statute 24:513, the Legislative Auditor distributes this report as a public document.

A handwritten signature in blue ink that reads "John L. McKowen, CPA". The signature is written in a cursive style.

John L. McKowen, CPA  
Baton Rouge, Louisiana  
June 12, 2023



**John L. McKowen**  
Certified Public Accountant

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Baton Rouge, Louisiana 70806

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE HEALTHY  
START INITIATIVE: ELIMINATING DISPARITIES IN PRENATAL CARE AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE**

To the Board of Directors  
Family Road of Greater Baton Rouge, Inc.  
Baton Rouge, Louisiana

**Report on Compliance for the Healthy Start Initiative: Eliminating Disparities in Perinatal Health**

***Opinion on Compliance for the Healthy Start Initiative: Eliminating Disparities in Perinatal Health***

I have audited Family Road of Greater Baton Rouge, Inc.'s (Family Road) compliance with the compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on its Healthy Start Initiative: Eliminating Disparities in Perinatal Health for the fifteen months ended December 31, 2022.

In my opinion, Family Road complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Healthy Start Initiative: Eliminating Disparities in Perinatal Health for the fifteen months ended December 31, 2022.

***Basis for Opinion on the Healthy Start Initiative: Eliminating Disparities in Perinatal Health***

I conducted my audit 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 (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of Family Road 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 opinion on compliance with the Healthy Start Initiative: Eliminating Disparities in Perinatal Health. My audit does not provide a legal determination of Family Road's compliance with the compliance requirements referred to above.

**Member**

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*Society of Louisiana Certified Public Accountants*

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, rules and provisions of contracts or grant agreements applicable to the Healthy Start Initiative: Eliminating Disparities in Perinatal Health.

### ***Auditor's Responsibilities for the Audit of Compliance***

My 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 Family Road's compliance based on my audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for one 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, they would influence the judgement made by a reasonable user of the report on compliance about Family Road's compliance with the requirements of the federal program as a whole.

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

- exercise professional judgement and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Family Road's compliance with the compliance requirements referred to above and performing such other procedures as I consider necessary in the circumstances.
- obtain an understanding of Family Road'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 Family Road's internal control over compliance. Accordingly, no such opinion is expressed.

I am 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 I identified during the audit.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected, on

a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or 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.

My consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

My 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 my testing of internal control over compliance and the results of testing based on the requirements of the Uniform Guidance. Accordingly, this communication is not suitable for any other purpose.

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

A handwritten signature in blue ink that reads "John L. McKowen, CPA". The signature is written in a cursive style.

John L. McKowen, CPA  
Baton Rouge, Louisiana  
June 12, 2023

**FAMILY ROAD OF GREATER BATON ROUGE, INC.**  
 Baton Rouge, Louisiana  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
 For the fifteen months ended December 31, 2022

Federal Grantor/Pass-Through-Grantor Program Title	Grant Number	CFDA Number	Federal Expenditures
<b><u>U.S. Department of Health and Human Services</u></b>			
Passed through			
Health Resources and Services Administration			
Maternal and Child Health Bureau:			
Healthy Start Initiative	H4900107	93.926	\$ 1,463,945
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b><u>\$ 1,463,945</u></b>

**FAMILY ROAD OF GREATER BATON ROUGE, INC.**

Baton Rouge, Louisiana

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Fifteen months ended December 31, 2022

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Family Road of Greater Baton Rouge, Inc. and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from the amounts presented in the preparation of the basic financial statements.

**NOTE B – RECONCILIATION OF EXPENSES TO FEDERAL EXPENDITURES**

Total expenses	\$1,969,496
Non-cash adjustment – depreciation	(42,520)
Non-federal expenditures	<u>(463,031)</u>
Total Federal Expenditures	<u>\$1,463,945</u>

**NOTE D – DE MINIMIS COST RATE**

During the fifteen months ended December 31, 2022, the Organization elected not to use the 10% de minimis cost rate as covered in Section 200.414 of the Uniform Guidance.

**NOTE E – AMOUNTS PASSED THROUGH TO SUBRECIPIENTS**

During the fifteen months ended December 31, 2022, the Organization did not pass through any federal funding to subrecipients.

**FAMILY ROAD OF GREATER BATON ROUGE, INC.**  
Baton Rouge, Louisiana  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Fifteen months ended December 31, 2022

**SUMMARY OF AUDITOR'S RESULTS**

*Financial Statements*

Type of auditor's report issued: Unmodified Opinion

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? No
- Noncompliance material to financial statements noted? No

*Federal Awards*

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? No

Type of auditor's report issued on compliance for major programs: Unmodified

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

The programs tested as major programs include:  
Healthy Start Program CFDA #93.926

- The threshold for distinguishing Types A and B programs was program expenditures equal to or exceeding \$750,000.
- Family Road of Greater Baton Rouge, Inc. did not qualify as a low-risk auditee.

**FAMILY ROAD OF GREATER BATON ROUGE, INC.**  
Baton Rouge, Louisiana  
**SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**  
Fifteen months ended December 31, 2022

**FINDINGS AND QUESTIONED COSTS – Financial Statement Audit**

None noted.

**FINDINGS AND QUESTIONED COSTS – Major Federal Award Programs**

None noted.

**FAMILY ROAD OF GREATER BATON ROUGE, INC.**  
Baton Rouge, Louisiana  
**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO  
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

**AGENCY HEAD NAME: Dena Christy**

Ms. Christy received the following compensation, benefits or other payments derived from public (governmental) funds for the fifteen months ended December 31, 2022 which require disclosure in accordance with La. R.S. 24:513(A)(3).

<b>PURPOSE</b>	<b>AMOUNT</b>
Salary	\$102,197
Fringe benefits	<u>28,496</u>
Total	<u>\$130,693</u>



**John L. McKowen**  
Certified Public Accountant

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

To the Board of Directors of Family Road of Greater Baton Rouge, Inc. (the Organization) and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. The Organization is responsible for those C/C areas identified in the SAUPs.

The Organization has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

***1) Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

*The Organization's written policies and procedures address budgeting.*

b) ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

*The Organization's written policies and procedures address purchasing.*

c) ***Disbursements***, including processing, reviewing, and approving.

*The Organization's written policies and procedures address disbursements.*

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- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

*The Organization's written policies and procedures address receipts/collections.*

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

*The Organization's written policies and procedures address payroll/personnel.*

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

*The Organization's written policies and procedures address contracting.*

- g) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

*The Organization's written policies and procedures address travel and expense reimbursement.*

- h) **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

*The Organization's written policies and procedures address credit cards.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

*Not applicable.*

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

*Not applicable.*

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

*The Organization's written contact with its IT provider addresses information technology disaster recovery/business continuity.*

- l) Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

*The Organization's written policies and procedures address the prevention of sexual harassment.*

## **2) Board or Finance Committee**

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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

- i. 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 Organization met seven times during the period.*

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit 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.*

*Not applicable.*

- iii. 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.*

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

*Not applicable.*

## **3) Bank Reconciliations**

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

the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

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

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

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

*Bank reconciliations include written evidence that a member of management has reviewed each bank reconciliation.*

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

*Not applicable, there were no reconciling items outstanding for more than 12 months.*

#### **4) Collections (excluding electronic funds transfers)**

---

- A. 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).

- B. 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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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

- i. Employees responsible for cash collections do not share cash drawers/registers;

*Employees responsible for cash collections do not share cash drawers/registers.*

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

*Employees responsible for collecting cash are not also responsible for preparing/making bank deposits.*

- iii. Each employee responsible for collecting cash is not also 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; and

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

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also

responsible for collecting cash, unless another employee/official verifies the reconciliation.

*The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash.*

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

*A copy of the bond for theft covering all employees who have access to cash was obtained from management. The bond was in force during the fiscal period.*

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, 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:

- i. Observe that receipts are sequentially pre-numbered.

*Receipts are sequentially pre-numbered.*

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

*Related collection documentation was traced to the deposit slip.*

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

*The deposit slip total was traced to the actual deposit per the bank statement.*

- iv. 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 were made within one business day of receipt*

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

*Deposits per the bank statement were traced to the general ledger.*

**5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)**

---

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

*Management represents that there is one location that processes payments.*

9. For each location selected under procedure #5A 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, then 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 or making the purchase;  
*At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.*
  - b) At least two employees are involved in processing and approving payments to vendors;  
*At least two employees are involved in processing and approving payments to vendors.*
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;  
*The Executive Director 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; and  
*The official responsible for signing checks gives the signed checks to an employee to mail who is not responsible for processing payments.*
  - c) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.  
*Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds.*
  
10. For each location selected under procedure #5A 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
  - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and  
*The disbursements matched the related original itemized invoice and supporting documentation indicated that deliverables included on the invoice were received by the entity.*
  - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date,

electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

*The disbursement documentation included evidence of segregation of duties.*

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

*Each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy.*

#### **6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)**

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- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.

*The listing was obtained*

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

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

*There is evidence that the combined statement and supporting documentation (was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.*

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

*There were no finance charges assessed on the selected combined statement.*

- C. Using the monthly statements or combined statements selected under procedure #7B 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 (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe

that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

*The itemized receipts described above were obtained along with acceptable supporting documentation.*

## **7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

A. 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 and 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

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

*Not applicable, there were no reimbursements using a per diem.*

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

*The reimbursements were supported by original itemized receipts that identified precisely what was purchased.*

- iii. 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 Policies and Procedures procedure #1A(vii); and

*Each reimbursement was supported by documentation of the business/public purpose and other documentation required by written policy.*

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

*Each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.*

## **8) Contracts**

A. 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. *Alternatively, 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



- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;  
*None of the contracts observed required bids in accordance with the Louisiana Public Bid Law.*
- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);  
*Not applicable.*
- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and  
*There were no contract amendments.*
- iv. 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.  
*The invoice and related payment agreed to the terms and conditions of the contract.*

#### **9) Payroll and Personnel**

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials. Obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.  
*Paid salaries agreed to authorized salaries/pay rates in the personnel files.*
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
  - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);  
*All employees document their daily attendance and leave.*
  - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;  
*Supervisors approved the attendance and leave of the selected employees.*
  - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and  
*Leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.*
  - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

*The rate paid to the employees and officials agree to the authorized salary/pay rate found within the personnel file.*

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

*Management represents that there were no termination payments paid during the year.*

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

*Management represents that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by required deadlines.*

#### **10) Ethics**

---

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

- a. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

*Not applicable.*

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

*Not applicable.*

23. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

*Not applicable.*

#### **11) Debt Service**

---

*Not applicable, the Organization has no debt.*

- A. 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 as required by Article VII, Section 8 of the Louisiana Constitution.

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

### 12) Fraud Notice

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- A. 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 as required by R.S. 24:523.

*Not applicable. there were no misappropriations of assets.*

- B. 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.

*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.*

### 13) Information Technology Disaster Recovery/Business Continuity

---

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

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

*I performed the procedure and discussed the results with management.*

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

*I performed the procedure and discussed the results with management.*

- iii. 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.

*I performed the procedure and discussed the results with management.*

Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe

evidence that the selected terminated employees have been removed or disabled from the network.

*There were no employees terminated during the period.*

#### ***14) Prevention of Sexual Harassment***

---

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

*Not applicable.*

- B. Observe that 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).

*The entity has posted its sexual harassment policy and complaint procedure on its website.*

- C. 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 that the report includes the applicable requirements of R.S. 42:344:

*Not applicable*

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

I was engaged by the Organization to perform this agreed-upon procedures engagement and conducted my 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 the Organization and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or

compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

A handwritten signature in blue ink that reads "John L. McKowen, CPA". The signature is written in a cursive style.

John L. McKowen, CPA  
Baton Rouge, Louisiana  
June 12, 2023