

**RIVER REGION HUMAN
DEVELOPMENT, INC.**

Financial Report

Year Ended September 30, 2021

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KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITOR'S REPORT

* A Professional Accounting Corporation

To the Board of Directors
River Region Human Development, Inc.
Gonzales, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of River Region Human Development, Inc. (a nonprofit organization) (the Organization), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 judgment, 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 the Organization as of September 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement 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 March 15, 2022, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Baton Rouge, Louisiana
March 15, 2022

FINANCIAL STATEMENTS

RIVER REGION HUMAN DEVELOPMENT, INC.
Gonzales, Louisiana

Statement of Financial Position
September 30, 2021

ASSETS

Current assets:		
Due from Department of Education	\$	89,688
Furniture and equipment, net		<u>868</u>
Total assets	\$	<u>90,556</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts Payable	\$	1,000
Cash overdraft		5,348
Payroll and related liabilities		4,403
Due to providers		<u>72,348</u>
Total current liabilities		83,099
Net assets:		
Without donor restrictions		<u>7,457</u>
Total liabilities and net assets	\$	<u>90,556</u>

The accompanying notes are an integral part of this statement.

RIVER REGION HUMAN DEVELOPMENT, INC.
Gonzales, Louisiana

Statement of Activities
For The Year Ended September 30, 2021

Revenues, Gains and Other Support	
Reimbursements:	
Administrative	\$ 212,476
Program	979,779
Other grants	25,725
Other income	<u>11,036</u>
Total revenues, gains and other support	<u>1,229,016</u>
Expenses -	
Program services	1,090,909
Supporting services:	
Management and general	<u>79,607</u>
Total expenses	<u>1,170,516</u>
Change in net assets	58,500
Net assets, beginning	<u>(51,043)</u>
Net assets, ending	<u>\$ 7,457</u>

The accompanying notes are an integral part of this statement.

RIVER REGION HUMAN DEVELOPMENT, INC.
Gonzales, Louisiana

Statement of Functional Expenses
For the Year Ended September 30, 2021

	Program Services	Management and General	Total Expenses
Minute Menu	\$ 1,819	\$ -	\$ 1,819
Miscellaneous	-	5,365	5,365
Office rent	6,480	-	6,480
Office and supplies	5,199	4,320	9,519
Postage and printing	114	-	114
Professional fees	12,706	8,471	21,177
Provider payments	969,548	-	969,548
Salaries and benefits	84,869	56,580	141,449
Taxes - payroll	3,974	2,650	6,624
Telephone	2,738	1,825	4,563
Travel - monitoring	1,644	-	1,644
Utilities	593	396	989
	<hr/>	<hr/>	<hr/>
Total expenses before depreciation	1,089,684	79,607	1,169,291
Depreciation	1,225	-	1,225
	<hr/>	<hr/>	<hr/>
Total	<u>\$ 1,090,909</u>	<u>\$ 79,607</u>	<u>\$ 1,170,516</u>

The accompanying notes are an integral part of this statement.

RIVER REGION HUMAN DEVELOPMENT, INC.
Gonzales, Louisiana

Statement of Cash Flows
For The Year Ended September 30, 2021

Cash flows from operating activities:	
Change in net assets	<u>\$ 58,500</u>
Adjustments to reconcile change in net assets to net cash flow from operating activities -	
Depreciation	1,225
(Increase) decrease in operating assets -	
Due from Department of Education	17,380
(Decrease) increase in operating liabilities -	
Accounts payable	(19,977)
Payroll related liabilities	(18,997)
Due to providers	<u>(109,822)</u>
Total adjustments	<u>(130,191)</u>
Net cash used by operating activities	<u>(71,691)</u>
Cash and cash equivalents, beginning of year	<u>66,343</u>
Cash and cash equivalents, end of year	<u><u>\$ (5,348)</u></u>

The accompanying notes are an integral part of this statement.

RIVER REGION HUMAN DEVELOPMENT, INC.
Gonzales, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

A. Nature of Activities

River Region Human Development, Inc. (hereafter referred to as the Organization) operates a Family Day Care Home Program under the Child and Adult Care Food Program, Section 17 of the Richard B. Russell National School Lunch Act. Under the provisions of this program, individuals who care for a small number of children in their homes are reimbursed for the costs of meals served to the children. The Organization monitors the composition of the meals to assure nutritional values, makes routine inspections of the homes to assure safety of the children who stay there, and acts as intermediary between the state and federal agencies who administer funds and the providers who care for the children. This program is funded primarily by federal funds received from the State of Louisiana Department of Education and is the primary source of the Organization's revenues.

B. Income Tax Status

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. In addition, the Organization has been determined, by the Internal Revenue Service, not to be a private foundation within the meaning of Section 509(a) of the code. Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has undertaken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization and has concluded that there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audit by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

C. Financial Statement Presentation

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

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that will be met, either (1) by incurring expenses satisfying the restricted

RIVER REGION HUMAN DEVELOPMENT, INC.
Gonzales, Louisiana

Notes to Financial Statements

purpose (purpose restricted), and/or passage of time or other events (time restricted), or (2) will never expire (perpetual in nature). When the restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

D. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid interest-bearing deposits with a maturity of three months or less when purchased to be cash equivalents.

E. Receivables

Receivables are stated at unpaid balances. The Organization maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers/vendors to make required payments. Because collection is expected at 100%, an allowance for doubtful accounts has not been recorded.

F. Property and Equipment

Property and equipment are valued at historical cost for assets purchased and at fair market value at the date of donation for contributed assets. The Organization maintains a threshold level of \$1,000 or more for capitalizing capital assets. Depreciable assets are depreciated using the straight-line method over the estimated useful lives of the individual assets as follows:

Furniture and equipment	5 – 15 years
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G. Revenue and Expense Recognition

The Organization recognizes revenues on the accrual basis of accounting. Expenses are recognized in the period incurred in accordance with the accrual basis of accounting.

H. Donated Services and Materials

The Organization recognizes donated services that (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated materials are valued at current market value at the time of the donation. Donated services and materials were considered to be immaterial.

I. Functional Allocation of Expenses

Expenses are summarized and categorized based on their function classification as either program or supporting services. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of

RIVER REGION HUMAN DEVELOPMENT, INC.
Gonzales, Louisiana

Notes to Financial Statements

expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation based on time used for those functions.

J. Advertising Costs

The Organization uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising expense was \$0.

K. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Concentration of Credit Risk

The Organization's cash is deposited in one financial institution. Cash accounts at banks are insured by the FDIC for up to \$250,000. The Organization's cash balance did not exceed this limit and therefore were not subject to credit risk.

(3) Risk Management

The Organization is exposed to risks of loss in the areas of general liability and property hazards. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year. Insurance settlements did not exceed insurance coverage.

(4) Commitments and Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Organization expects such amounts, if any, to be immaterial. Also, a liability for findings and questioned costs is not established until final disposition of such matters by the funding agency.

(5) Concentrations

The Organization received substantially all of its total revenue from the Department of Education, State of Louisiana through the U.S. Department of Agriculture Food and Nutrition Services, Family Day

RIVER REGION HUMAN DEVELOPMENT, INC.
Gonzales, Louisiana

Notes to Financial Statements

Care Home Program, under 7 CFR Part 226. The revenue received is reported on the Statement of Activities as Reimbursements: Administrative and Program. The Organization does not expect that the support from this governmental agency will be lost in the near-term; however, a change in this funding could substantially affect the operations of the Organization.

(6) Subsequent Events

The Organization has evaluated subsequent events through March 15, 2022, the date which the financial statements were available to be issued.

(7) Executive Director Compensation

The schedule of compensation, benefits, and other payments to Edgar Irvin, Executive Director follows:

Purpose	Amount
Salary	\$ 82,455
Benefits-FICA	<u>6,354</u>
Total	<u>\$ 88,809</u>

(8) Capital Assets

Capital asset balances and activity is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Furniture and equipment	\$ 9,127	\$ -	\$ -	\$ 9,127
Less: Accumulated depreciation	<u>(7,033)</u>	<u>(1,225)</u>	<u>-</u>	<u>(8,258)</u>
Net furniture and equipment	<u>\$ 2,093</u>	<u>\$ (1,225)</u>	<u>\$ -</u>	<u>\$ 868</u>

RIVER REGION HUMAN DEVELOPMENT, INC.
Gonzales, Louisiana

Notes to Financial Statements

(9) Liquidity and Availability of Resources

The Organization's financial assets available within one year of the balance sheet date for general expenditures are as follows:

<u>Purpose</u>	<u>Amount</u>
Due from Department of Education	<u>\$ 89,688</u>

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

(10) Recent Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842) intended to improve financial reporting regarding leasing transactions. The new standard affects all companies and organizations that lease assets and liabilities for the rights and obligations created by those leases if the lease terms are more than 12 months. The guidance also will require qualitative quantitative disclosures providing additional information about the amounts recorded in the financial statements. The amendments in this update are effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. The Organization is evaluating the potential impact of the amendment on the Organization's financial statements.

**INTERNAL CONTROL,
COMPLIANCE
AND
OTHER MATTERS**

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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
River Region Human Development, Inc.
Gonzales, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of River Region Human Development, Inc. (a nonprofit organization) (the Organization), which comprise the statement of financial position as of September 30, 2021 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 15, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the

accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement amounts. 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*.

River Region Human Development’s Response to Findings

River Region Human Development’s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. ABC Organization’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Baton Rouge, Louisiana
March 15, 2022

KOLDER, SLAVEN & COMPANY, LLC

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

To the Board of Directors
River Region Human Development, Inc.
Gonzales, Louisiana

Report on Compliance for Each Major Federal Program

We have audited River Region Human Development, Inc.'s (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended September 30, 2021. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

Report on Internal Control over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Baton Rouge, Louisiana
March 15, 2022

RIVER REGION HUMAN DEVELOPMENT, INC.
Gonzales Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2021

Federal Grantor/Pass-Through Grantor/Program Name	Assistance Listing Number	Pass - Through Identifying No.	Expenditures
<u>United States Department of Agriculture-</u>			
Passed through the Louisiana Department of Education			
Child and Adult Care Food Program	10.558	N/A	\$ 1,182,025
COVID 19 - Child and Adult Care Food Program	10.558	N/A	<u>10,230</u>
Total Expenditures of Federal Awards			<u>\$ 1,192,255</u>

RIVER REGION HUMAN DEVELOPMENT, INC.
Gonzales, Louisiana

Notes to Schedule of Expenditures of Federal Awards
Year Ended September 30, 2021

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the River Region Human Development, Inc. (the Organization) under programs of the federal government for the year ended September 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Indirect Cost Rate

The Organization has elected to not use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

RIVER REGION HUMAN DEVELOPMENT, INC.
Gonzales, Louisiana

Schedule of Findings and Questioned Costs
Year Ended September 30, 2021

Part I. Summary of Auditor's Results:

Financial Statements –

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiencies identified?	<u> X </u> Yes	<u> </u> None reported
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No

Federal Awards –

Type of auditor's report issued on compliance for major programs:	Unmodified	
Internal control over major programs:		
Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiencies identified?	<u> </u> Yes	<u> X </u> None reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) of the Uniform Guidance?	<u> </u> Yes	<u> X </u> No

Major Programs –

Assistance Listing Number	Name of Federal Program or Cluster
10.558	Child and Adult Care Food Program
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as a low-risk auditee?	<u> </u> Yes <u> X </u> No

RIVER REGION HUMAN DEVELOPMENT, INC.
Gonzales, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2021

Part II. Findings which are required to be reported in accordance with generally accepted governmental auditing standards:

A. Internal Control Findings –

2021-001 Inadequate Procedures Over Recording Transactions

Fiscal year finding initially occurred: 2017

CONDITION: The Organization's bank reconciliation was not in agreement with general ledger balances and the Organization has numerous checks that have been outstanding for one year or longer, resulting in the bank account to show an overdrafted balance. Additionally, the Organization does not have procedures to ensure that payroll and related liabilities are recorded properly.

CRITERIA: Internal control is a process - effected by those charged with governance, management, and other personnel - designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The Organization's internal controls over financial reporting include those policies and procedures that pertain to the Organization's ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial statements.

CAUSE: The Organization's management did not have procedures to properly record transaction and review bank reconciliations for accuracy.

EFFECT: Failure to reconcile bank accounts accurately and timely may result in the Organization not able to determine actual cash balances or if proper funds are available to pay vendors and/or monthly bills. Failure to properly record payroll expenses and related liabilities may result in an understatement of expenses or incorrect reporting of wages for quarterly payroll taxes.

RECOMMENDATION: It is recommended that the Organization implement internal controls to ensure that bank accounts are reconciled timely and reviewed for accuracy. It is also recommended that the Organization implement internal controls to ensure transactions are recorded properly.

MANAGEMENT'S RESPONSE: The Organization will continue to record activity for all bank accounts during the year and developing procedures to ensure all other transactions are properly recorded and reconciled. The Organization is also implementing procedures to ensure that payroll and related liabilities are properly recorded.

RIVER REGION HUMAN DEVELOPMENT, INC.
Gonzales, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2021

B. Compliance Findings –

None reported.

Part III. Findings and questioned costs for major Federal awards which include audit findings as defined in 2 CFR section 200 of the Uniform Guidance:

There are no findings and questioned costs related to federal programs that are required to be reported under the above guidance.

RIVER REGION HUMAN DEVELOPMENT, INC.
Gonzales, Louisiana

Schedule of Current and Prior Year Audit Findings
Year Ended September 30, 2021

Part I. Current Year Findings and Management's Corrective Action Plan:

A. Internal Control Over Financial Reporting

See Item 2021-001 on the Schedule of Findings and Questioned Costs.

B. Compliance

There are no compliance findings to be reported.

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2020-002 Failure to Report and Remit Payroll Taxes

See Compliance finding 2020-001.

2020-003 Inadequate Procedures Over Recording Transactions

Fiscal year finding initially occurred: 2017

CONDITION: The Organization has a bank account with limited activity that was not recorded on the general ledger and not properly reconciled.

RECOMMENDATION: The Organization should ensure their financial records includes all activity of the Organization and all bank accounts are properly reconciled monthly.

CORRECTIVE ACTION TAKEN: The Organization began recording activity for all bank accounts during the year and began developing procedures to ensure all other transactions are properly recorded and reconciled.

B. Compliance

2020-001 Failure to Report and Remit Payroll Taxes

Fiscal year finding initially occurred: 2017

CONDITION: The Organization did not have adequate controls to ensure all payroll taxes were properly reported and remitted to the appropriate federal and state agencies.

RECOMMENDATION: The Organization should establish policies and procedures to ensure all payroll taxes are properly reported and remitted to the appropriate federal and state agencies by the prescribed deadline.

CURRENT STATUS: Resolved.

RIVER REGION HUMAN DEVELOPMENT, INC
POST OFFICE BOX 2188/1058 E. WORTHEY ST.
GONZALES, LOUISIANA 70737
225-644-2056-office
225-644-0609-fax

Eric Brady - President **Rhonda Coates - Treasurer**
Edgar Irvin – Executive Director **Lynn Williams – Coordinator**

Corrective Action Plan
Year Ended September 30, 2021

River Region Human Development respectfully submits the following corrective action plan for the year ended September 30, 2021.

Audit conducted by:
Kolder, Slaven & Company, LLC
11929 Bricksome Avenue
Baton Rouge, LA 70816

Audit Period: Fiscal year ended September 30, 2021

The finding from the September 30, 2021, schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the number assigned in the schedule.

2021-001 Inadequate Procedures Over Recording Transactions

RECOMMENDATION: It is recommended that the Organization implement internal controls to ensure that bank accounts are reconciled timely and reviewed for accuracy. It is also recommended that the Organization implement internal controls to ensure transactions are recorded properly.

CORRECTIVE ACTION PLAN: The Organization will continue to record activity for all bank accounts during the year and developing procedures to ensure all other transactions are properly recorded and reconciled. The Organization is also implementing procedures to ensure that payroll and related liabilities are properly recorded.

Sincerely,

Edgar Irvin
Executive Director

**RIVER REGION HUMAN DEVELOPMENT, INC
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Edgar Irvin – Executive Director **Lynn Williams – Coordinator**

Schedule of Prior Year Audit Findings
Year Ended September 30, 2021

River Region Human Development respectfully submits the following schedule of prior audit findings for the year ended September 31, 2021.

Audit conducted by:
Kolder, Slaven & Company, LLC
11929 Bricksome Avenue
Baton Rouge, LA 70816

Fiscal Year Findings Initially Occurred: September 30, 2017

The finding from the September 30, 2021, schedule of prior year audit findings is discussed below. The finding is numbered consistently with the number assigned in the schedule.

Compliance

2020-001 Failure to report and remit payroll taxes

CONDITION: The Organization did not have adequate controls to ensure all payroll taxes were properly reported and remitted to the appropriate federal and state agencies.

RECOMMENDATION: The Organization should establish policies and procedures to ensure all payroll taxes are properly reported and remitted to the appropriate federal and state agencies by the prescribed deadline.

Resolved.

Internal Control

2020-002 Failure to report and remit payroll taxes

See Compliance finding 2020-001.

2020-003 Inadequate procedures over recording transactions

CONDITION: The Organization has a bank account with limited activity that was not recorded on the general ledger and not properly reconciled.

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Edgar Irvin – Executive Director **Lynn Williams – Coordinator**

Schedule of Prior Year Audit Findings
Year Ended September 30, 2021

RECOMMENDATION: The Organization should ensure their financial records includes all activity of the Organization and all bank accounts are properly reconciled monthly.

CORRECTIVE ACTION TAKEN: The Organization began recording activity for all bank accounts during the year and began developing procedures to ensure all other transactions are properly recorded and reconciled.