

RIVER REGION HUMAN DEVELOPMENT, INC.
Gonzales, Louisiana

FINANCIAL REPORT

SEPTEMBER 30, 2023

Roslyn J. Johnson, LLC
Certified Public Accountant

RIVER REGION HUMAN DEVELOPMENT, INC.
Gonzales, Louisiana

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RIVER REGION HUMAN DEVELOPMENT, INC.

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Independent Auditor's Report

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

Report on the Audit of Financial Statements

Opinion

I 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, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements present fairly, in all material respects, the financial position of **River Region Human Development, Inc.** as of September 30, 2023, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my 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. 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 **River Region Human Development, Inc.** and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **River Region Human Development, Inc.**'s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing the audit in accordance with generally accepted auditing standards 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 statement, 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 **River Region Human Development, Inc.**'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about **River Region Human Development, Inc.**'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 accompanying schedule of compensation, benefits, and other payments, on page 13, and schedules of audited claims pages 14 to 15 are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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* on page 22, 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 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, these schedules 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 March 15, 2024, on my consideration of **River Region Human Development, Inc.**'s internal control over financial reporting and my 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 my 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 **River Region Human Development, Inc.**'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **River Region Human Development, Inc.**'s internal control over financial reporting and compliance.

Roslyn J. Johnson, LLC

Baton Rouge, Louisiana
March 15, 2024

RIVER REGION HUMAN DEVELOPMENT, INC.

**Statement of Financial Position
September 30, 2023**

ASSETS

Reimbursements receivable (note 3)	<u>\$ 284,778.22</u>
TOTAL ASSETS	<u><u>\$ 284,778.22</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	20,241.72
Cash overdraft	13,177.82
Payroll and related liabilities	16,663.45
Due to providers (note 4)	239,258.22
Total current liabilities	<u>289,341.21</u>

Net Assets

Without donor restrictions:

Total net assets	(4,562.99)
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 284,778.22</u></u>
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The accompanying notes are an integral part of this financial statement

RIVER REGION HUMAN DEVELOPMENT, INC.

**Statement of Activities
For the Year Ended September 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Federal Financial Assistance through the Louisiana Department of Education:			
Administrative reimbursement		\$ 242,642.00	\$ 242,642.00
Program reimbursement		1,246,879.19	1,246,879.19
Other income	\$ 6,700.00		6,700.00
Net assets released from restrictions:			
Restrictions satisfied by payment	1,489,521.19	(1,489,521.19)	-
Total Support and Revenues	<u>1,496,221.19</u>	<u>-</u>	<u>1,496,221.19</u>
Expenses			
Program Services			
Meals served - Providers	1,246,879.19		1,246,879.19
Supporting Services			
Management and general	182,105.87		182,105.87
Professional services	32,422.20		32,422.20
Operational services	34,004.76		34,004.76
Other services	1,576.56		1,576.56
Total Expenses	<u>1,496,988.58</u>	<u>-</u>	<u>1,496,988.58</u>
Change in Net Assets	(767.39)	-	(767.39)
Net Assets - Beginning of Year - restated	<u>(3,795.60)</u>	<u>-</u>	<u>(3,795.60)</u>
Net Assets - End of Year	<u>\$ (4,562.99)</u>	<u>\$ -</u>	<u>\$ (4,562.99)</u>

The accompanying notes are an integral part of this financial statement

RIVER REGION HUMAN DEVELOPMENT, INC.

**Statement of Functional Expenses
For the Year Ended September 30, 2023**

	Program Services	Supporting Services	Totals
EXPENSES			
Salaries		\$ 167,671.20	\$ 167,671.20
Payroll taxes		12,827.04	12,827.04
Travel costs		13,718.34	13,718.34
Office costs		4,553.96	4,553.96
Building rent		10,800.00	10,800.00
Telephone		4,932.46	4,932.46
Professional services		8,022.20	8,022.20
Audit fees		24,400.00	24,400.00
Utilities		1,607.63	1,607.63
Miscellaneous		1,576.56	1,576.56
CACFP provider payments	\$ 1,246,879.19		1,246,879.19
Total Expenses	<u>\$ 1,246,879.19</u>	<u>\$ 250,109.39</u>	<u>\$ 1,496,988.58</u>

The accompanying notes are an integral part of this financial statement

RIVER REGION HUMAN DEVELOPMENT, INC.

Statement of Cash Flows

For the Year Ended September 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (767.39)
Adjustments to reconcile change in net assets to cash provided by operating activities:	
Restatement of beginning net assets	1,890.40
(Increase) Decrease in Current Assets	
Reimbursement receivable	(175,654.22)
Increase (Decrease) in Current Liabilities	
Accounts payable	19,241.72
Due to providers	148,632.22
Payroll and related liabilities	12,260.45
Net cash provided (used) by operating activities	<u>5,603.18</u>
Net increase in cash	5,603.18
CASH AT BEGINNING OF YEAR	<u>(18,781.00)</u>
CASH AT END OF YEAR	<u><u>\$ (13,177.82)</u></u>

The accompanying notes are an integral part of this statement

River Region Human Development Corporation

Notes to the Financial Statements
For the Year Ended September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

River Region Human Development Corporation (hereafter referred to as the Organization) operates a Family Day Care Program under the Child and Adult Care Food Program, Section 17 of the Richard B. Russell National School Lunch Program Act. Under the provisions of this program, individuals who care for a small number of children in their home 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 home to assure safety of the children who stay there, and act 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. BASIS OF ACCOUNTING AND FINANCIAL PRESENTATION

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board's (FASB) Accounting Standard Codification (ASC) 958, *Not-for-Profit Entities*. Under FASB ACS 958, **the Organization** reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions include those net assets whose use by **the Organization** is not restricted by donors, even though their use may be limited in other respects, such as by contract or board designation. Net assets with donor restrictions are those net assets received with donor-imposed restrictions limiting **the Organization's** use of the assets. When the restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported to the statement of activities as net assets released from restrictions.

River Region Human Development Corporation

Notes to the Financial Statements

For the Year Ended September 30, 2023

C. CASH AND CASH EQUIVALENTS

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

D. INCOME TAXES

River Region Human Development, Corporation 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.

E. PROPERTY AND EQUIPMENT

Property and equipment are valued at historical costs for assets purchased and at fair market value at the date of donation for contributed assets. The Organization maintains a threshold level of \$1,000.00 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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F. USE OF ESTIMATES

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

River Region Human Development Corporation

Notes to the Financial Statements

For the Year Ended September 30, 2023

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. REIMBURSEMENTS AND ACCOUNTS RECEIVABLE

Management deems all reimbursements and accounts receivable collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when the determination is made.

I. 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.

J. FUNCTIONAL EXPENSES

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

NOTE 2 – CONCENTRATION OF CREDIT RISK

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

River Region Human Development Corporation

Notes to the Financial Statements

For the Year Ended September 30, 2023

NOTE 3 - REIMBURSEMENTS RECEIVABLE

Accounts receivable represents reimbursements due from the Louisiana Department of Education for meals served during the months of August and September 30, 2023.

Provider Reimbursement Receivable	\$239,258.22
Administrative Reimbursement Receivable	<u>45,520.00</u>
Total Reimbursements Receivable	<u><u>\$284,778.22</u></u>

NOTE 4 - DUE TO PROVIDERS

Due to providers represents amounts owed to providers for the cost of meals served during the months of August and September 2023.

NOTE 5 – EQUIPMENT

At September 30, 2023, the costs of office furniture and equipment were as follows:

Office furniture and equipment	\$ 9,127.00
Less accumulated depreciation	<u>(9,127.00)</u>
Total office furniture and equipment	<u><u>\$ -</u></u>

NOTE 6 – PRIOR PERIOD ADJUSTMENT

The Net Assets as of September 30, 2022, have been restated to reflect the correction of errors related to prior years recording of revenues. The effect of the restatement is as follows:

Net Assets, September 30, 2022 as previously Reported	\$ (5,686.00)
Correct the recording of prior year revenue	<u>1,890.40</u>
Net Assets, September 30, 2023, as restated	<u><u>\$ (3,795.60)</u></u>

River Region Human Development Corporation

Notes to the Financial Statements

For the Year Ended September 30, 2023

NOTE 7 - CONCENTRATION OF REVENUES

The Organization receives a large amount of its revenue from one major source, the Louisiana Department of Education. Revenue of the program is based on the number of meals served by providers to children at the approved meal rate. Meal rates are determined on July 1 of each year by the Louisiana Department of Education (LDOE). Meals served and approved meal rates are reported in the *Schedule of Meals Served and Program Reimbursements*. The Organization does not expect that the support from LDOE will be lost in the near-term; however, a change in this funding could substantially affect the operations of the Organization.

NOTE 8 – OPERATING LEASE

The Organization is obligated under a certain lease accounted for as an operating lease. Operating leases do not give rise to property rights or lease obligations; therefore, the result of these agreements is not reflected in property and equipment.

The Organization conducts its operations from a facility that is leased under a twelve-month noncancelable operating lease expiring in September 2023. There is an option to renew the lease for an additional period at an increased monthly rental. Rental expense for the facility amounted to \$10,800.00.

NOTE 9 - LIQUIDITY MANAGEMENT

As of September 30, 2023, **the Organization** has financial assets of \$284,778.22 available within one year of the balance sheet date for general expenditures. As a part of its liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

NOTE 10 - BOARD OF DIRECTORS

The management of the Organization is vested in a Board of Directors which consists of three members who serve without compensation.

River Region Human Development Corporation
Notes to the Financial Statements
For the Year Ended September 30, 2023

NOTE 11- SUBSEQUENT EVENTS

Management is required to evaluate events or transactions that may occur after the statement of financial position date for potential recognition or disclosure in the financial statements. Management performed such an evaluation through March 15, 2024 the date that the financial statements were available to issue.

SUPPLEMENTARY INFORMATION SCHEDULES

RIVER REGION HUMAN DEVELOPMENT, INC.

**Schedule of Compensation, Benefits and Other Payments
to Executive Director
Year Ended September 30, 2023**

EDGAR IRVIN, EXECUTIVE DIRECTOR

PURPOSE	AMOUNT
Salary	\$ 88,108.80
Benefits - retirement	5,462.76
Benefits-insurance	1,277.64
Travel	<u>6,990.64</u>
TOTAL	<u><u>\$ 101,839.84</u></u>

RIVER REGION HUMAN DEVELOPMENT, INC.

**Audited Statement of Claims
Year Ended September 30, 2023**

REIMBURSEMENTS RECEIVED

Administrative	\$ 242,642.00
Program	<u>1,246,879.19</u>
Total	<u><u>\$ 1,489,521.19</u></u>

REIMBURSEMENTS ALLOWABLE

Administrative	\$ 242,642.00
Program	<u>1,245,795.83</u>
Total	<u><u>\$ 1,488,437.83</u></u>

OVER (UNDER) CLAIM

Administrative	\$ -
Program	<u>1,083.36</u>

TOTAL OVER (UNDER) CLAIMED

<u><u>\$ 1,083.36</u></u>

RIVER REGION HUMAN DEVELOPMENT, INC.

**Schedule of Meals Served and Program Reimbursement
Year Ended September 30, 2023**

OCTOBER 1, 2022 TO JUNE 30, 2023	<u>BREAKFAST</u>	<u>LUNCH</u>	<u>SUPPLEMENT</u>	<u>SUPPER</u>	<u>TOTAL</u>
Number of meals claimed	102,174	41,268	154,981	146,950	445,373
Less: Meals refunded by sponsor	0	0	0	0	
Net meals allowed	102,174	41,268	154,981	146,950	445,373
Reimbursement rate	1.6600	3.0400	0.9700	3.0400	
Reimbursement based on rate	\$ 169,608.84	\$ 125,454.72	\$ 150,331.57	\$ 446,728.00	\$ 892,123.13
JULY 1, 2023 TO SEPTEMBER 30, 2023	<u>BREAKFAST</u>	<u>LUNCH</u>	<u>SUPPLEMENT</u>	<u>SUPPER</u>	<u>TOTAL</u>
Number of meals claimed	34,528	21,367	59,142	56,448	171,485
Less: Meals refunded by sponsor	(180)	(8)	(188)	(188)	
Net meals allowed	34,348	21,359	58,954	56,260	170,921
Reimbursement rate	1.6500	3.1200	0.9300	3.1200	
Reimbursement based on rate	\$ 56,674.20	\$ 66,640.08	\$ 54,827.22	\$ 175,531.20	\$ 353,672.70
TOTAL MEALS CLAIMED	136,702	62,635	214,123	203,398	616,858
TOTAL NET MEALS ALLOWED	136,522	62,627	213,935	203,210	616,294
PROGRAM REIMBURSEMENT CLAIMED \$	226,580.04	\$ 192,119.76	\$ 205,333.63	\$ 622,845.76	\$1,246,879.19
PROGRAM REIMBURSEMENT ALLOWED \$	226,283.04	\$ 192,094.80	\$ 205,158.79	\$ 622,259.20	\$1,245,795.83
MEALS OVERCLAIMED AND REFUNDED TO LDOE					<u>\$ 1,083.36</u>

SINGLE AUDIT REPORTS

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on An Audit of Financial Statements Performed In Accordance With Government Auditing Standards

Board of Directors
River Region Human Development, Inc.
Gonzales, 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 United States, the financial statements of **River Region Human Development Corporation (a nonprofit organization) (the Organization)** which comprise the statement of financial position as of September 30, 2023, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated March 15, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered **River Region Human Development Corporation's** internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **River Region Human Development Corporation's** internal control. Accordingly, I do not express an opinion on the effectiveness of **River Region Human Development Corporation's** the 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.

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. I did identify

a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that I consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether **River Region Human Development Corporation'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 financial statements. 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*.

River Region Human Development's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on **River Region Human Development Corporation's** response to the findings identified in my audit and described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, I express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 Office of the Legislative Auditor as a public document.

Roslyn J. Johnson, LLC

Baton Rouge, Louisiana
March 15, 2024

**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 Corporation
Gonzales, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Major Federal Program

I have audited **River Region Human Development Corporation, (a nonprofit organization) (the Organization)** with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of **River Region Human Development Corporation's** major federal program for the year ended September 30, 2023. **River Region Human Development Corporation's** major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, **River Region Human Development Corporation** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each on its major federal program for the year ended September 30, 2023.

Basis for Opinion on Major Federal Program

I conducted my 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 of America; 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). 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 **River Region Human Corporation** and to meet my other ethical responsibilities, in accordance with 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 for each major federal program. My audit does not provide a legal determination of **River Region Human Development Corporation's** compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statues, regulations, rules, and provisions of contracts or grant agreements applicable to **River Region Human Development Corporation's** federal programs.

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 **River Region Human Development Corporation'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 generally accepted auditing standards, *Government Auditing Standards*, and Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about **River Region Human Development Corporation's** compliance with the requirements of its major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding **River Region Human Development Corporation's** compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of **River Region Human Development Corporation'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 **River Region Human Development Corporation'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 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.

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

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.

Purpose of This Report

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 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 Office of the Legislative Auditor as a public document.

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance

I have audited the financial statements of **River Region Human Development Corporation** as of and for the year ended September 30, 2023, and have issued my report thereon dated March 15, 2024, which contained an unmodified opinion on those financial statements. My audit was conducted for purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional

analysis as required by Uniform Guidance 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 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 expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Roslyn J. Johnson, LLC

Baton Rouge, Louisiana
March 15, 2024

RIVER REGION HUMAN DEVELOPMENT, INC

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2023**

Federal Grantor/ Pass-Through Grantor/ Program Name	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures September 30, 2023
U. S. Department of Agriculture: Pass-through program from: Louisiana Department of Education - Child and Adult Care Food Program (FDCHP)	10.558	N/A	<u>\$ 1,489,521.19</u>

Notes to Schedule of Expenditures of Federal Awards:

Note 1 - Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying schedule of expenditures of federal award include the federal grant activity of River Region Human Development, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *Uniform Guidance*, "*Audits of States, Local Governments, and Non-Profit Organizations.*"

B. Accrued Reimbursement

Federal awards are on a cost reimbursement basis.

C. Federal Indirect Cost Rate

River Region Human Development, Inc. did not elect to use the 10% de minimis federal indirect cost rate for the year ended September 30, 2023.

D. Subrecipients

River Region Human Development, Inc. did not provide federal funds to any subrecipients during the year ended September 30, 2023.

The accompanying notes are an integral part of this schedule

RIVER REGION HUMAN DEVELOPMENT, INC.
Schedule of Findings and Questioned Costs
Year Ended September 30, 2023

PART I - SUMMARY OF AUDITOR'S RESULTS

Financial Statement Audit

Type of auditor's report issued:	Unmodified		
Material weakness (es) identified?	_____ Yes	_____ X	_____ No
Significant deficiency identified that are not considered to be material weaknesses?	_____ X	_____ Yes	_____ No
Noncompliance material to financial statements noted?	_____ Yes	_____ X	_____ No

Audit of Federal Awards

Internal control over major programs:

Material weakness(es) identified?	_____ Yes	_____ X	_____ No
Significant deficiency identified that are not considered to be material weaknesses?	_____ Yes	_____ X	_____ No

Type of auditor's report issued on compliance for major programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.	_____ Yes	_____ X	_____ No
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Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10:558	Child and Adult Care Food Program (FDCHP)

The threshold for distinguishing types A & B programs was program expenditures exceeding \$750,000

Auditee qualified as a low-risk auditee?	_____ Yes	_____ X	_____ No
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River Region Human Development Corporation
Gonzales, Louisiana

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended September 30, 2023

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

A. Internal Control Findings —

2023-001 Inadequate Procedures Over Recording Transactions

CONDITION: Journal entries required to correct the Organization's general ledger beginning balances as determined in the prior year audit were not recorded. As a result, the general ledger ending balances were incorrect. In addition, bank reconciliations were 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 overdraft balance.

CRITERIA: Good 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 transactions and review bank reconciliations for accuracy.

EFFECT: Failure to timely record accounting transactions and reconcile bank accounts accurately will result in the Organization ability to determine actual cash available for operating expenses.

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

MANAGEMENT'S RESPONSE: The Organization have researched the outstanding checks and we are making the proper journal entry and implementing internal controls to ensure accounts are reconciled timely and accurate.

River Region Human Development Corporation
Gonzales, Louisiana

Schedule of Findings and Questioned Costs (Concluded)
For the Year Ended September 30, 2023

B. Compliance Findings —

None reported.

Part III. Findings and Questioned costs for Major Federal Awards

None reported.

River Region Human Development Corporation
Gonzales, Louisiana

Schedule of Prior Year Audit Findings and Questioned Costs
For the Year Ended September 30, 2023

Prior Year Finding:

Internal Control Over Financial Reporting

2022-001 Inadequate Procedures Over Recording Transactions - **Resolved**

**STATE REPORTING SECTION
AGREED-UPON PROCEDURES**

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

To the Board of Directors of
River Region Human Development, Inc
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 **October 1, 2022 through September 30, 2023**. River Region Human Development, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

River Region Human Development, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period **October 1, 2022 through September 30, 2023**. 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:

Written Policies and Procedures

I obtained from management its written policies and procedures utilized in the operations of the organization. Because the organization's public funds are federal major program funds received for the Child and Adult Care Food Program, they are subject to testing under the Single Audit and therefore AUP categories including written procedures are mainly covered under the pass-through agency agreement, FNS instruction 796-2, *Financial Management-Child and Adult Care Food Program*, and the federal *Compliance Supplement*.

**RIVER REGION HUMAN DEVELOPMENT, INC.
AGREED-UPON PROCEDURES REPORT**

Budgeting

Comment: No exceptions were found as a result of this procedure.

Purchasing

Comment: No exceptions were found as a result of this procedure.

Disbursements

Comment: No exceptions were found as a result of this procedure.

Receipts/Collections

Comment: No exceptions were found as a result of this procedure.

Payroll/Personnel

Comment: No exceptions were found as a result of this procedure.

Contracting

Comment: No exceptions were found as a result of this procedure.

Credit Cards

Comment: Not Applicable

Travel and Expense Reimbursement

Comment: No exceptions were found as a result of this procedure.

Ethics

Comment: Not Applicable

**RIVER REGION HUMAN DEVELOPMENT, INC.
AGREED-UPON PROCEDURES REPORT**

Debt Service

Comment: Not Applicable

Information Technology Disaster Recovery/Business Continuity

Comment: No exceptions were found as a result of this procedure.

Sexual Harassment

Comment: Not Applicable

Board

Obtained and inspected the board minutes for the fiscal period and determined that the Board met as noted in the bylaws. The Board meeting minutes did reference the review of financial information. The prior year audit finding was not addressed in the minutes however, management has taken steps to address the deficiencies noted in the prior year.

Bank Reconciliations

Obtained and inspected the bank reconciliations of the Organization's operating and general fund accounts for two months of the fiscal period. Noted the bank reconciliations did include evidence, (e.g., initialed and dated), to support that they were prepared within two months of the related statement closing date or that a member of management, who does not handle cash, post ledgers, or issue checks had reviewed each bank reconciliation. However, bank reconciliations did not show evidence of researching outstanding checks over 12 months.

Management's Response: Management concurs with finding and will establish procedures that will ensure the continuous review and research of all outstanding checks over 12 months.

Collections

The Organization receives its funds by electronic deposit from the oversight agency. Therefore, there are no collection locations.

**RIVER REGION HUMAN DEVELOPMENT, INC.
AGREED-UPON PROCEDURES REPORT**

Comment: No exceptions were found as a result of this procedure.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

Selected a sample of two months of non-payroll disbursement transactions and determined if sufficient supporting documentation, invoice or contract, matched the payment. Documentation to support disbursement transactions was on file. The Executive Director with Board oversight has responsibility for the proper processing of disbursement transactions in accordance with written policies and procedures. An independent accountant is responsible for the recording and reporting of financial transactions.

Comment: No exceptions were found as a result of this procedure.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

Comment: The Organization has no credit cards.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

Obtained a listing of all travel reimbursements for the audit period. Determined that the reimbursement rate was no more than the rate established by *Louisiana Travel Guide* authorized by the oversight agency. Selected two months of travel reimbursement transactions and examined the related expense reimbursement forms which documented the business/public purpose. Documentation to support the business/public purpose was on file to support all transactions.

Comment: No exceptions were found as a result of this procedure.

**RIVER REGION HUMAN DEVELOPMENT, INC.
AGREED-UPON PROCEDURES REPORT**

Contracts

Obtain from management a listing of all agreements/contracts for professional services, materials and supplies that were initiated during the fiscal period. Determined all contracts were approved by the oversight agency during the Organization's budget approval process. Verified payments

made for professional services in the two test months selected for testing were made in accordance with terms and conditions of the contract.

Comment: No exceptions were found as a result of this procedure.

Payroll and Personnel

I selected two pay-periods during the fiscal year and verified that employees were paid the authorized rates as approved by the oversight agency in the budget. In addition, I examined attendance and leave records for the selected payroll transactions and determined time and attendance for employees in my test months were properly approved by the supervisor. However, noted the Executive Director's time and attendance was not reviewed or approved by upper management.

Management's Response: The Executive Director's time and attendance sheets will be approved by a member of the Board in the future.

Ethics

Comment: Not Applicable

Debt Service

Comment: Not Applicable

**RIVER REGION HUMAN DEVELOPMENT, INC.
AGREED-UPON PROCEDURES REPORT**

Fraud Notice

Observed the Organization has posted on its premises the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds. There was no misappropriation of funds.

Comment: No exceptions were found as a result of this procedure.

Information Technology Disaster Recovery/Business Continuity

Comment: No exceptions were found as a result of this procedure.

Sexual Harassment

Comment: Not Applicable

I was engaged by **River Region Human Development, Inc.** 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 **River Region Human Development, Inc.** and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my agreed-upon procedures engagement.

**RIVER REGION HUMAN DEVELOPMENT, INC.
AGREED-UPON PROCEDURES REPORT**

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.

Roslyn J. Johnson, LLC

Baton Rouge, Louisiana
March 15, 2024