

**Bread of Life Community Development Corporation of Louisiana**

**Oakdale, Louisiana**

**Financial Statements**

**December 31, 2022**

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**KnightMasden**

A Professional Accounting Corporation

John E. Theriot II, CPA, CGMA

Dona C. Manuel, CPA

Stephanie R. Lemoine, CPA

## **Independent Auditors' Report**

Board of Directors  
Bread of Life Community Development  
Corporation of Louisiana  
Oakdale, Louisiana

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

#### ***Opinion***

We have audited the accompanying financial statements of Bread of Life Community Development Corporation of Louisiana (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, 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 our opinion, the financial statements present fairly, in all material respects, the financial position of Bread of Life Community Development Corporation of Louisiana as of December 31, 2022, 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.

#### ***Basis for Opinion***

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bread of Life Community Development Corporation of Louisiana and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***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.

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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 Bread of Life Community Development Corporation of Louisiana's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our 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 our 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Bread of Life Community Development Corporation of Louisiana'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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bread of Life Community Development Corporation of Louisiana's ability to continue as a going concern for a reasonable period of time.

We are 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 we identified during the audit.

***Supplementary Information***

Our 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 to the executive director, 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 statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule 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 June 27, 2023, on our consideration of Bread of Life Community Development Corporation of Louisiana'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 Bread of Life Community Development Corporation of Louisiana'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 Bread of Life Community Development Corporation of Louisiana's internal control over financial reporting and compliance.



**KnightMasden**  
Alexandria, Louisiana  
June 27, 2023



Bread of Life Community Development Corporation of Louisiana  
Statement of Financial Position  
December 31, 2022

Assets	
Current Assets	
Cash and cash equivalents	\$ 21,216
Notes receivable - current portion	2,904
Inventory	<u>658,433</u>
Total Current Assets	682,553
Plant, Property and Equipment, net	<u>375,952</u>
Other Assets	
Right of use asset	185,551
Notes receivable - net of current portion	19,117
Restricted cash	<u>72,182</u>
Total Other Assets	<u>276,850</u>
Total Assets	<u><u>\$ 1,335,355</u></u>
Liabilities and Net Assets	
Current Liabilities	
Payroll liabilities	\$ 1,978
Accrued liabilities	50
Lease payable - current portion	5,660
Notes payable - current portion	<u>668,922</u>
Total Current Liabilities	676,610
Lease payable, net of current portion	<u>179,891</u>
Total Liabilities	856,501
Net Assets	
without Donor Restriction	384,651
with Donor Restriction	<u>94,203</u>
Total Net Assets	<u>478,854</u>
Total Liabilities and Net Assets	<u><u>\$ 1,335,355</u></u>

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

Bread of Life Community Development Corporation of Louisiana  
Statement of Activities  
For the Year Ended December 31, 2022

	without Donor <u>Restrictions</u>	with Donor <u>Restrictions</u>	<u>Total</u>
Revenues			
Contributions, gifts and grants	\$ 128,517	\$ -	\$ 128,517
Investment income	8	-	8
Program service income	<u>16,308</u>	<u>-</u>	<u>16,308</u>
Total Revenues	144,833	-	144,833
Net Assets released from restrictions	48,574	(48,574)	-
Functional Expenses			
Subdivision lots	71,669	-	71,669
Management and general	<u>130,565</u>	<u>-</u>	<u>130,565</u>
Total Functional Expenses	<u>202,234</u>	<u>-</u>	<u>202,234</u>
Change in Net Assets	(8,827)	(48,574)	(57,401)
Net Assets - Beginning	<u>393,478</u>	<u>142,777</u>	<u>536,255</u>
Net Assets - Ending	<u>\$ 384,651</u>	<u>\$ 94,203</u>	<u>\$ 478,854</u>

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

Bread of Life Community Development Corporation of Louisiana  
Statement of Cash Flows  
For the Year Ended December 31, 2022

Cash Flows from Operating Activities	
Change in Net Assets	\$ (57,401)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities	
Depreciation	15,443
Forgiveness of mortgage receivable	2,904
(Increase) decrease in inventory	(643,921)
Increase (decrease) in payroll liabilities	468
Net Cash Provided/(Used) by Operating activities	<u>(682,507)</u>
Cash flows from Financing Activities	
Advances on notes payable	<u>643,922</u>
Net Cash Used by Financing Activities	<u>643,922</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(38,585)
Cash and Cash Equivalents - Beginning	<u>131,983</u>
Cash and Cash Equivalents - Ending	<u>\$ 93,398</u>
Consisting of:	
Cash and cash equivalents	\$ 21,216
Restricted cash	<u>72,182</u>
Total	<u>\$ 93,398</u>

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

Bread of Life Community Development Corporation of Louisiana  
Statement of Functional Expenses  
For the Year Ended December 31, 2022

	<u>Real Estate Activities</u>	<u>Management and General</u>	<u>Total Expenses</u>
Utilities	\$ -	\$ 4,580	\$ 4,580
Office supplies	-	5,633	5,633
Payroll expenses	30,000	63,965	93,965
Telephone	-	2,611	2,611
Insurance	-	8,503	8,503
Interest	-	302	302
Repairs and maintenance	4,223	-	4,223
Legal and professional	-	16,590	16,590
Depreciation	-	15,443	15,443
Contract labor	4,291	-	4,291
Rent	-	12,000	12,000
Miscellaneous	-	938	938
Direct program cost	<u>33,155</u>	<u>-</u>	<u>33,155</u>
	<u>\$ 71,669</u>	<u>\$ 130,565</u>	<u>\$ 202,234</u>

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

Bread of Life Community Development Corporation of Louisiana  
Notes to the Financial Statements  
For the Year Ended December 31, 2022

**Note 1 – Nature of Activities and Significant Accounting Policies**

Nature of Activities

Bread of Life Community Development Corporation of Louisiana (the Corporation) is a not-for-profit organization formed under the laws of the State of Louisiana. The purpose of the Corporation is to provide assistance and educational material with respect to the development, operation and maintenance of affordable, safe, sanitary, and decent housing, educational and vocational training, health care and transportation services in the State of Louisiana.

The Corporation's funding sources consist of contributions and grants from foundations and federal, state and local governments. The corporation develops and rehabilitates single family housing to sell to low-income individuals and families.

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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

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

*Net Assets without Donor Restrictions* - Net assets not subject to donor-imposed stipulations.

*Net Assets with Donor Restrictions* - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Corporation and/or the passage of time or be permanently maintained by the Corporation. When a restriction expires, net assets with donor restrictions are reclassified to net asset without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

The Corporation considers all demand deposits and highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents include monies designated for specific programs or held for others.

Bread of Life Community Development Corporation of Louisiana  
Notes to the Financial Statements  
For the Year Ended December 31, 2022

**Note 1 – Nature of Activities and Significant Accounting Policies (Continued)**

Contributions and Grants

Contributions and grants are recorded as received. Unconditional promises to give are recorded as they are made. Conditional promises to give are recognized as revenue when the necessary conditions are fulfilled.

Inventory

Inventory consists of single-family homes and lots for single family homes to be constructed on. Interest on construction line of credit was capitalized into the value of the inventory. Inventory is stated at cost using the specific identification method.

Property, Equipment, and Depreciation

Property and equipment are stated at cost if purchased, or fair value at the date of donation, if contributed to the Corporation, less accumulated depreciation. Depreciation is computed on depreciable assets on a straight-line basis over the estimated useful lives of the assets. The cost of maintenance and repairs is expensed as incurred; however, significant renewals and improvements are capitalized.

Income Taxes

The Corporation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Furthermore, the Corporation is not classified as a “private foundation” by the Internal Revenue Service. 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 as of December 31, 2022, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or assets) or disclosure in the financial statements.

New Accounting Pronouncements

In February 2016, FASB issued ASU 2016-02, Leases (Topic 842), which among other things, requires the recognition of right-of-use lease assets and lease liabilities on the balance sheet of lessees for operating leases, along with the disclosure of key information about leasing arrangements. A lessee is required to record lease assets and lease liabilities for all leases with a term of greater than 12 months. Leases with a term of 12 months or less will be accounted for in a manner similar to existing guidance for operating leases today. The ASU is expected to impact the financial statements as the Company has certain operating leases for which it is the lessee. The effective date for this standard is fiscal years beginning after December 15, 2021. The Company’s 2022 numbers reflect the new standard.

Bread of Life Community Development Corporation of Louisiana  
Notes to the Financial Statements  
For the Year Ended December 31, 2022

**Note 1 – Nature of Activities and Significant Accounting Policies (Continued)**

In July 2018, the FASB issued ASU No. 2018-11, which provided entities with an additional transition method. Under the new transition method, an entity initially applies the new standard at the adoption date, versus at the beginning of the earliest period presented, and recognizes a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. The Company elected this transition method and adopted Topic 842 using a modified retrospective approach for 2022 with the cumulative effect of initially applying the new standard recognized in Retained earnings at January 1, 2022.

**Note 2 – Inventory**

During the year, the Corporation began work on three single-family dwellings to provide low-income families with affordable housing. The cost associated with these projects in process at December 31, 2022 is \$658,433.

**Note 3 – Fair Value Measurement**

FASB ACS 820-10, Fair Value Measurement, defines fair value, establishes a framework for measuring fair value, establishes a three-level valuation hierarchy for disclosure of fair value measurement and enhances disclosure requirements for fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of the fair value of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1 – Represented by quoted prices that are available in an active market. Level 1 securities include cash, checking and savings accounts, certificate of deposit, highly liquid government bonds, treasury securities, mortgage products and exchange traded equities.
- Level 2 – Represented by assets and liabilities similar to Level 1 where quoted prices are not available, but observable, either directly or indirectly through corroboration with observable market data and estimated using pricing models or discounted cash flows. Level 2 securities would include U.S. agency securities, mortgage-backed agency securities, obligations of states and political subdivisions, and certain corporate, asset backed securities, and swap agreements.
- Level 3 – Represented by financial instruments where there is limited activity or unobservable market prices and pricing models significant to determining the fair value measurement include the reporting entity's own assumptions about market risk. Level 3 securities would include hedge funds, private equity securities, and private investments in public entities.

Bread of Life Community Development Corporation of Louisiana  
Notes to the Financial Statements  
For the Year Ended December 31, 2022

**Note 3 – Fair Value Measurement (continued)**

Fair value of assets measured on a recurring basis at December 31, 2022 are as follows:

<u>Description</u>	<u>Fair Value Measurement at December 31, 2022</u>			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash	\$21,216	\$21,216	-	-
Restricted Cash	\$72,182	\$72,182		

**Note 4 – Restricted Cash**

The Corporation maintains a separate bank account to hold the proceeds from the sales of houses sold through the HOME Program. These funds are restricted for the purpose of providing housing for low-income families. The balance in this account at December 31, 2022 is \$72,182.

**Note 5 – Notes Receivable**

In 2020, the Corporation received a grant from the Louisiana Housing Finance Agency (Soft Seconds) to aid qualified buyers in the purchase of the low income housing constructed by the Corporation. The aid is in the form of a mortgage that is forgiven over a period of ten to fifteen years depending on the amount of aid awarded to the individual, as long as the homeowner abides by the covenants in the agreement signed with the Corporation. In 2022, \$2,904 of the receivable balance was forgiven.

At December 31, 2022, notes receivable balances were:

	<u>Current</u>	<u>Long-term</u>	<u>Total</u>
Soft Seconds	\$2,904	\$19,117	\$22,021

**Note 6 – Property and Equipment**

At December 31, 2022, property and equipment consisted of the following:

	<u>Life</u>	<u>Carrying Value</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Rental Property	27.5 years	\$391,615	\$18,069	\$373,546
Equipment	5 years	<u>6,014</u>	<u>3,608</u>	<u>2,406</u>
Total		<u>\$397,629</u>	<u>\$21,677</u>	<u>\$375,952</u>

Depreciation expense for the current year was \$15,443.

**Note 7 – Lease Expense**

On April 9, 2015 the Corporation entered into a 30-year building lease. The agreement calls for monthly lease payments of \$1,000. The Corporation did not pay any rental payments during the year, the lessor has donated the use of the building for the year.

Bread of Life Community Development Corporation of Louisiana  
Notes to the Financial Statements  
For the Year Ended December 31, 2022

**Note 7 – Lease Expense (continued)**

Future minimum lease payments consist of:

2023	\$12,000
2024	\$12,000
2025	\$12,000
2026	\$12,000
2027	\$12,000

**Note 8 – Lease Revenue**

The Corporation has three rental units it began renting at the end of 2021. The units must be rented out to low income tenants to comply with the grant used to rehabilitate the units. Monthly rental payments are determined by the income of the tenants. Tenants are required to sign a 12 month lease. As of December 31, 2022 all three units were rented with leases expiring the end of August and October.

Future minimum lease receipts consist of:

2023	\$17,840
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**Note 9 – Notes Payable**

At December 31, 2022, the Corporation had the following notes payable:

Louisiana Housing Corporation	\$643,922
Related Party Note (See Note 10)	<u>25,000</u>
Total	<u>\$668,922</u>

On February 22, 2022 , the Corporation entered into an agreement with Louisiana Housing Corporation to rehabilitate three single-family dwellings. Louisiana Housing Corporation will reimburse the Corporation for all expenses related to the project. The reimbursements are in the form of a forgivable loan. The loan will be forgiven as dwellings are sold to a qualifying family. The balance of the note at December 31, 2022 is \$643,922.

**Note 10 – Related Party Notes Payable**

The executive director has loaned the Corporation, \$25,000 to be paid back in May 2023 at a stated interest rate of 0%. Any imputed interest on the 0% loan is recorded as a donation to the Corporation.

Bread of Life Community Development Corporation of Louisiana  
Notes to the Financial Statements  
For the Year Ended December 31, 2022

**Note 11 – Income Taxes**

The Corporation's original fiscal year end was April 30<sup>th</sup>. The tax return for the years ended April 30, 2019 and April 30, 2020, remain open and subject to examination by taxing authorities. The organization switched its year end to December 31 in 2020, a short year return was filed for May 1, 2020 through December 31, 2020. This return and the December 31, 2021 return also remain open and subject to examination by taxing authorities. The tax return for the year ended December 31, 2022 has not been filed as of the report date.

**Note 12 – Restricted Net Assets**

At December 31, 2022, net assets with donor restrictions consisted of the following:

Soft Second Mortgages	\$22,021
Low Income Housing	<u>72,182</u>
Total	<u>\$94,203</u>

**Note 13 – Contributed Services**

The Board of Directors is a voluntary board. These volunteers have made significant contributions of their time to the Corporation. The value of the contributed time is not reflected in these statements since it is not susceptible to an objective measurement or valuation.

**Note 14 – Liquidity and Availability of Financial Assets**

Financial assets, consisting of cash and accounts receivable, that are available for general expenditure, that is, without donor or other restrictions limiting their use, amounted to \$21,216 at December 31, 2022. The Corporation has a goal to maintain sufficient financial resources on hand to meet sixty days of normal operating expenses.

**Note 15 – Subsequent Events**

The Corporation has no material subsequent events that would require disclosure. Subsequent events have been evaluated through June 27, 2023, which is also the date the financial statements were available to be issued.

## **Supplementary Information**

Bread of Life Community Development Corporation of Louisiana  
Schedule of Compensation, Benefits and Other Payments to Stephanie McKay,  
Executive Director  
For the Year Ended December 31, 2022

<u>Purpose</u>	<u>Amount</u>
Salary	<u>\$ 60,000</u>
	<u>\$ 60,000</u>

**Reports on Internal Control, Compliance, and Other Matters**



**Independent Auditors' Report on Internal Control over Financial Reports and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

Board of Directors

Bread of Life Community Development Corporation of Louisiana  
Alexandria, 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 Bread of Life Community Development Corporation of Louisiana (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, 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 June 27, 2023.

**Report on Internal Control over Financial Reporting**

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

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

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

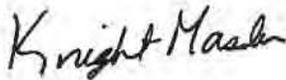
deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Bread of Life Community Development Corporation of Louisiana’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 statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



**KnightMadden**  
Alexandria, Louisiana  
June 27, 2023

Bread of Life Community Development Corporation of Louisiana  
 Schedule of Findings  
 For the Year Ended December 31, 2022

**A. Summary of Auditors' Results**

*Financial Statements*

- |   |            |
|---|------------|
| 1. Type of auditors' report   | Unmodified |
| 2. Internal control over financial reporting:                           |            |
| 1. Material weakness identified?  | No         |
| 2. Significant deficiencies identified no considered material weakness? | None noted |
| 3. Noncompliance material to the financial statements noted?            | No         |

*Federal Awards – Not Applicable*

- |  |                 |
|--|-----------------|
| 1. Type of auditors' report issued on compliance for major programs  | N/A             |
| 2. Internal control over financial reporting:  |                 |
| a. Material weakness identified?   | N/A             |
| b. Significant deficiencies identified no considered material weakness?  | N/A             |
| 3. Any audit findings disclosed that are required to be reported in the accordance with 2CFR section 200.516(a)? | N/A             |
| 4. Identification of major programs  |                 |
| Federal Assistance   | Federal Program |
| Listing Number   | N/A             |
| <hr style="width: 80%; margin-left: 0;"/>  |                 |
| N/A  |                 |
| 5. Dollar threshold used to distinguish between type A and type B programs                                       | N/A             |
| 6. Auditee qualified as low-risk under 2CFR 200.520  | N/A             |

Bread of Life Community Development Corporation of Louisiana  
Schedule of Findings  
For the Year Ended December 31, 2022

**B. Findings – Financial Statement Audit**

No findings

**C. Findings – Federal Awards Program Audit**

Not applicable

Bread of Life Community Development Corporation of Louisiana  
Management's Corrective Action Plan  
For the Year Ended December 31, 2022

Not applicable, no findings

Bread of Life Community Development Corporation of Louisiana  
Summary of Prior Year Audit Findings  
For the Year Ended December 31, 2022

Not applicable, no prior year audit findings.



**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of Bread of Life Community Development and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by The Bread of Life Community Development (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

**Written Policies and Procedures**

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

- a. Budgeting, including

- i. preparing,

*Policy is not present in the written policies and procedures manual.*

- ii. adopting,

*Policy is not present in the written policies and procedures manual.*

- iii. monitoring, and

*Policy is not present in the written policies and procedures manual.*

- iv. amending the budget.

*Policy is not present in the written policies and procedures manual.*

b. Purchasing, including

- i. how purchases are initiated;

*Policy is not present in the written policies and procedures manual.*

- ii. how vendors are added to the vendor list;

*Policy is not present in the written policies and procedures manual.*

- iii. the preparation and approval process of purchase requisitions and purchase orders;

*Policy is not present in the written policies and procedures manual.*

- iv. controls to ensure compliance with the public bid law; and

*Policy is not present in the written policies and procedures manual.*

- v. documentation required to be maintained for all bids and price quotes.

*Policy is not present in the written policies and procedures manual.*

c. Disbursements, including

- i. processing,

*Policy is not present in the written policies and procedures manual.*

- ii. reviewing, and

*Policy is not present in the written policies and procedures manual.*

- iii. approving

*Policy is not present in the written policies and procedures manual.*

d. Receipts/Collections, including

- i. receiving,

*Policy is not present in the written policies and procedures manual.*

- ii. recording, and

*Policy is not present in the written policies and procedures manual.*

- iii. preparing deposits

*Policy is not present in the written policies and procedures manual.*

- iv. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.

*Policy is not present in the written policies and procedures manual.*

e. Payroll/Personnel, including

- i. payroll processing, and

*Policy is present in the written policies and procedures manual.*

- ii. reviewing and approving time and attendance records, including leave and overtime worked.

*Policy is present in the written policies and procedures manual.*

- iii. approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

*Policy is present in the written policies and procedures manual.*

f. Contracting, including

- i. types of services requiring written contracts,

*Policy is not present in the written policies and procedures manual.*

- ii. standard terms and conditions,

*Policy is not present in the written policies and procedures manual.*

- iii. legal review,

*Policy is not present in the written policies and procedures manual.*

- iv. approval process, and

*Policy is not present in the written policies and procedures manual.*

- v. monitoring process.

*Policy is not present in the written policies and procedures manual.*

- g. Travel and expense reimbursement, including

- i. allowable expenses,

*Policy is present in the written policies and procedures manual.*

- ii. dollar thresholds by category of expense,

*Policy is not present in the written policies and procedures manual.*

- iii. documentation requirements, and

*Policy is present in the written policies and procedures manual.*

- iv. required approvers.

*Policy is present in the written policies and procedures manual.*

- h. Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including

- i. how cards are to be controlled,

*Policy is not present in the written policies and procedures manual.*

- ii. allowable business uses,

*Policy is not present in the written policies and procedures manual.*

- iii. documentation requirements,

*Policy is not present in the written policies and procedures manual.*

- iv. required approvers of statements, and

*Policy is not present in the written policies and procedures manual.*

- v. monitoring card usage.

*Policy is not present in the written policies and procedures manual.*

- i. Ethics, including

- i. the prohibitions as defined in Louisiana Revised Statute 42:1111-1121,

*Not applicable to nonprofits.*

- ii. actions to be taken if an ethics violation takes place,

*Not applicable to nonprofits.*

- iii. system to monitor possible ethics violations, and

*Not applicable to nonprofits.*

- iv. requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

*Not applicable to nonprofits.*

- j. Debt Service, including

- i. debt issuance approval,

*Not applicable to nonprofits.*

- ii. continuing disclosure/EMMA reporting requirements,

*Not applicable to nonprofits.*

- iii. debt reserve requirements, and

*Not applicable to nonprofits.*

- iv. debt service requirements.

*Not applicable to nonprofits.*

- k. Information Technology Disaster Recovery/Business Continuity, including

- i. identification of critical data and frequency of data backups,

*Policy is not present in the written policies and procedures manual.*

- ii. storage of backups in a separate physical location isolated from the network,

*Policy is not present in the written policies and procedures manual.*

- iii. periodic testing/verification that backups can be restored,

*Policy is not present in the written policies and procedures manual.*

- iv. use of antivirus software on all systems,

*Policy is not present in the written policies and procedures manual.*

- v. timely application of all available system and software patches/updates, and

*Policy is not present in the written policies and procedures manual.*

- vi. identification of personnel, processes, and tools needed to recover operations after a critical event.

*Policy is not present in the written policies and procedures manual.*

- l. Sexual Harassment, including R.S. 42:342-344 requirements for

- i. agency responsibilities and prohibitions,

*Policy is present in the written policies and procedures manual.*

- ii. annual employee training,

*Policy is not present in the written policies and procedures manual.*

- iii. annual reporting.

*Policy is not present in the written policies and procedures manual.*

*Management's Response to Section Findings: Management does not feel that missing policies are necessary due to the size of the organization.*

**Board or Finance Committee**

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

*The board met with a quorum monthly.*

- b. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on all special revenue funds. Alternatively for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

*Board meetings include discussions of financial data related to government grants.*

- c. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

*Not applicable to nonprofits.*

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

*There were no prior year audit findings.*

*Management's Response to Section Findings: No exceptions noted.*

### **Bank Reconciliations**

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

*List was obtained, and client represented that it was complete.*

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

*All reconciliations were prepared within 2 months of related statement closing date.*

- b. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation; and

*The bank reconciliations do not include evidence that a person who is not involved in the cash receipts or cash disbursements process has reviewed the reconciliation.*

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

*One reconciliation selected had outstanding transactions 12 months from the statement date. The transactions were cleared on later reconciliations.*

*Management's Response to Section Findings: Exceptions noted in 3b are not able to be overcome with the size of the organization.*

### **Collections**

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

*List was obtained, and client represented that it was complete.*

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site, obtain and inspect written policies and procedures relating to employee job duties

(if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a. Employees that are responsible for cash collections do not share cash drawers/registers.

*Cash drawers/registers are not used.*

- b. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation to the deposit.

*The employee responsible for preparing/making bank deposits is responsible for collecting cash.*

- c. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

*The employee responsible for posting collection entries is responsible for collecting cash.*

- d. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

*The employee that is responsible for collecting cash or reconciling the account reviews the reconciliation.*

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

*Employees with access to cash are not covered by a bond.*

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

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

*The receipts were not sequentially pre-numbered.*

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

*Not applicable as the receipts were not sequentially pre-numbered.*

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

*For all deposits tested, the total deposit slip equaled the total deposit per the bank statement.*

- d. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

*For all deposits tested, deposit was made within 1 business day.*

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

*For all deposits tested, the deposit per bank statement equaled the deposit per the general ledger.*

*Management's Response to Section Findings: Exceptions noted in 5a – 5d are not able to be overcome with the size of the organization. The majority of the funds received by the organization are through ACH, so management does not feel a bond is necessary.*

### **Non-Payroll Disbursements**

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

*A list was obtained. Client represented that it was complete.*

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

*Two employees are not involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.*

- b. At least two employees are involved in processing and approving payments to vendors.

*Two employees are not involved in processing and approving payments to vendors.*

- c. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

*Employee responsible for processing payments does add and/or modify vendor files, and no other employee is responsible for periodically reviewing changes to vendor files.*

- d. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

*Signed checks are returned to the employee responsible for processing payments for mailing.*

- e. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfers (EFT), wire transfer, or some other electronic means.

*An employee not authorized to sign checks can approve the electronic disbursements.*

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a. Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

*The disbursements tested matched the related original invoice/billing statement.*

- b. Observe whether the disbursement documentation included evidence of segregation of duties tested under #9, as applicable.

*The disbursements tested did not included evidence of segregation of duties.*

11. Using the entity's main operating account and the month selected in procedure 7, randomly select non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was:

- a. Approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and

*None of the disbursements selected were approved by a person authorized to disburse funds.*

- b. Approved by the required number of authorized signers per the entity's policy.

*There is not a policy on the required number of authorized signers.*

*Management's Response to Section Findings: Exceptions noted in 9, 10 and 11 are not able to be overcome with the size of the organization.*

#### **Credit Cards/Debit Cards/Fuel Cards/Purchase Cards**

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

*A list was obtained. Client represented that it was complete.*

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

- a. Observe that there is evidence that the monthly statement or combined statement and supporting documentation were reviewed and approved, in writing, by someone other than the authorized card holder.

*Organization does not have credit cards.*

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

*Organization does not have credit cards.*

14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement,

and obtain supporting documentation for the transactions. For each transaction, observe that it is supported by

- a. an original itemized receipt that identifies precisely what was purchased,

*Organization does not use credit cards.*

- b. written documentation of the business/public purpose, and

*Organization does not use credit cards.*

- c. documentation of the individuals participating in meals (for meal charges only).

*Organization does not use credit cards.*

*Management's Response to Section Findings: No exceptions noted.*

### **Travel and Travel-Related Expense Reimbursements**

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

*A list was obtained. Client represented that it was complete.*

- a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

*No reimbursements were issued during the year.*

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

*No reimbursements were issued during the year.*

- c. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

*No reimbursements were issued during the year.*

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

*No reimbursements were issued during the year.*

*Management's Response to Section Findings: No exceptions noted.*

## **Contracts**

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

*A list was obtained. Client represented that it was complete.*

- a. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

*No contracts were subject to the Louisiana Bid Law.*

- b. Observe that the contract was approved by the governing body/board, if required by policy or law.

*All contracts were approved by governing board.*

- c. If the contract was amended, observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms.

*Amended contracts were allowed by the original contract terms..*

- d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

*All transactions tested had supporting invoice and agreed to terms of the contract.*

*Management's Response to Section Findings: No exceptions noted.*

## Payroll and Personnel

17. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

*A list was obtained. Client represented that it was complete.*

18. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a. Observe that all selected employees/officials documented their daily attendance and leave.

*Documentation of daily attendance and leave taken was present for all employees tested.*

- b. Observe whether supervisors approved the attendance and leave of the selected employees/officials.

*Supervisor approved attendance and leave was present for all employees tested.*

- c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

*No leave taken during pay period.*

- d. Observe the rate paid to employees or officials agree to the authorized salary/pay rate found within the personnel file.

*Authorized rates were not found within the personnel file.*

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

*A list was obtained. Client represented that it was complete. No termination checks were written.*

20. Obtain management's representation that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by required deadlines.

*Representation that payments and forms have been filed and paid by required deadlines.*

*Management's Response to Section Findings: Exceptions noted in 18d are not able to be overcome with the size of the organization.*

### **Ethics**

21. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

*Not applicable to non-profits.*

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

*Not applicable to non-profits.*

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

*Not applicable to non-profits.*

*Management's Response to Section Findings: No exceptions noted.*

### **Debt Service**

23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued.

*Not applicable to non-profits.*

24. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt

covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

*Not applicable to non-profits.*

*Management's Response to Section Findings: No exceptions noted.*

### **Fraud Notice**

25. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

*No misappropriation of public funds in current year.*

26. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

*Entity has notice posted.*

*Management's Response to Section Findings: No exceptions noted.*

### **Information Technology Disaster Recovery/Business Continuity**

27. Perform the following procedures,

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium, observe evidence that backups are encrypted before being transported.

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

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

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

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and

active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

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

28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure 18. Observe evidence that the selected terminated employees have been removed or disabled from the network.

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

*Management's Response to Section Findings: Management discussed findings with auditor.*

### **Prevention of Sexual Harassment**

29. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

*No sexual harassment training was documented for the year.*

30. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

*Client does have sexual harassment policy posted.*

31. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

*No reporting was done.*

- a) Number and percentage of public servants in the agency who have completed the training requirements;

*Not reported*

- b) Number of sexual harassment complaints received by the agency;

*Not reported*

- c) Number of complaints which resulted in a finding that sexual harassment occurred;

*Not reported*

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

*Not reported*

- e) Amount of time it took to resolve each complaint.

*Not reported*

*Management's Response to Section Findings: Exceptions noted in 29 and 31; management does not feel sexual harassment training and report is necessary for the size of the organization.*

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is 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.

*KnightMadden*

**KnightMadden**  
Alexandria, Louisiana  
June 26, 2023