

YouthForce NOLA

Audits of Financial Statements

December 31, 2021 and 2020



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Independent Auditor's Report

To the Board of Directors
YouthForce NOLA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of YouthForce NOLA (the Organization), which comprise the statements of financial position as of December 31, 2021 and 2020, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 the Organization's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS 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 the Organization'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 the Organization'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 schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2022 on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

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

A Professional Accounting Corporation

Metairie, LA
June 28, 2022

YouthForce NOLA
Statements of Financial Position
December 31, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash	\$ 3,892,792	\$ 3,962,661
Accounts Receivable	48,000	198,700
Contributions Receivable	20,000	82,698
Grants Receivable	1,117,189	1,123,565
Prepaid Expenses	16,754	16,529
Deposits	25,777	1,035
Total Current Assets	5,120,512	5,385,188
Fixed Assets, Net	74,563	80,451
Total Assets	\$ 5,195,075	\$ 5,465,639
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 219,687	\$ 239,178
Accrued Expenses	264,666	133,454
Deferred Revenue	-	62,169
Total Liabilities	484,353	434,801
Net Assets		
Without Donor Restrictions		
Board Designated	285,220	412,356
Undesignated	1,220,133	626,555
With Donor Restrictions	3,205,369	3,991,927
Total Net Assets	4,710,722	5,030,838
Total Liabilities and Net Assets	\$ 5,195,075	\$ 5,465,639

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

YouthForce NOLA
Statement of Activities
For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains, and Other Support			
Direct Public Grants and Contributions	\$ 1,051,175	\$ 3,908,191	\$ 4,959,366
Contract Revenue	188,093	-	188,093
Interest Income	1,783	7,085	8,868
Other Income	1,000	-	1,000
Forgiveness of Paycheck Protection Program Loan	250,700	-	250,700
Net Assets Released from Restrictions	4,701,834	(4,701,834)	-
Total Revenue, Gains, and Other Support	6,194,585	(786,558)	5,408,027
Expenses			
Program Services	4,832,569	-	4,832,569
Management and General	829,695	-	829,695
Fundraising	65,879	-	65,879
Total Expenses	5,728,143	-	5,728,143
Change in Net Assets	466,442	(786,558)	(320,116)
Net Assets, Beginning of Year	1,038,911	3,991,927	5,030,838
Net Assets, End of Year	\$ 1,505,353	\$ 3,205,369	\$ 4,710,722

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

YouthForce NOLA
Statement of Activities
For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains, and Other Support			
Direct Public Grants and Contributions	\$ 448,070	\$ 5,180,383	\$ 5,628,453
Contract Revenue	451,722	-	451,722
In-Kind Contributions	17,760	-	17,760
Interest Income	4,365	11,670	16,035
Other Income	6,500	-	6,500
Forgiveness of Paycheck Protection Program Loan	250,700	-	250,700
Net Assets Released from Restrictions	4,378,063	(4,378,063)	-
Total Revenue, Gains, and Other Support	5,557,180	813,990	6,371,170
Expenses			
Program Services	4,577,846	-	4,577,846
Management and General	750,422	-	750,422
Fundraising	124,081	-	124,081
Total Expenses	5,452,349	-	5,452,349
Change in Net Assets	104,831	813,990	918,821
Net Assets, Beginning of Year	934,080	3,177,937	4,112,017
Net Assets, End of Year	\$ 1,038,911	\$ 3,991,927	\$ 5,030,838

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

**YouthForce NOLA
Statement of Functional Expenses
For the Year Ended December 31, 2021**

	Program Services									Supporting Services			
	School Engagement and Capacity	Employer Engagement and Capacity	Internship and Soft Skills	Training Provider Capacity	Family Engagement and Communication	Strategic Alignment	Connect	LAUNCH	Research	Total	Management and General	Fundraising	Total
Payroll Expense	\$ 158,516	\$ 166,312	\$ 590,198	\$ 157,430	\$ 95,642	\$ 599,076	\$ 115,240	\$ 338,732	\$ -	\$ 2,221,146	\$ 257,519	\$ 12,019	\$ 2,490,684
Grant Expenses	444,997	115,000	-	1,031,741	-	17,000	6,000	59,644	-	1,674,382	-	-	1,674,382
Professional Services	48,500	5,834	38,665	34,635	7,578	290,171	11,500	109,388	-	546,271	353,797	53,752	953,820
Awards	-	-	224,970	-	-	-	-	7,630	-	232,600	-	-	232,600
Occupancy Costs	-	-	-	-	-	-	-	9,538	-	9,538	118,814	-	128,352
Office Expenses	69	1,075	22,467	8,468	4	337	296	18,339	-	51,055	28,277	69	79,401
Dues & Subscriptions	-	3,003	17,149	4	1,517	3	4	1,461	-	23,141	20,328	-	43,469
Capital Purchases	-	-	3,195	11,046	1,376	-	-	9,048	-	24,665	3,999	-	28,664
Insurance Expense	156	190	1,468	209	195	1,029	115	33	-	3,395	24,723	-	28,118
Office Communications	-	-	10,708	-	-	-	-	12,426	-	23,134	4,330	-	27,464
Depreciation Expense	-	-	-	-	-	-	-	-	-	-	14,204	-	14,204
Contract Labor	-	-	6,303	-	-	3,500	-	-	-	9,803	-	-	9,803
Travel Expenses	5	139	822	56	45	697	1,146	5,143	-	8,053	1,327	9	9,389
Conferences & Training	-	884	1,990	338	-	1,524	338	312	-	5,386	907	-	6,293
Bank Service Charge	-	-	-	-	-	-	-	-	-	-	1,324	30	1,354
Repair & Maintenance	-	-	-	-	-	-	-	-	-	-	146	-	146
Total	\$ 652,243	\$ 292,437	\$ 917,935	\$ 1,243,927	\$ 106,357	\$ 913,337	\$ 134,639	\$ 571,694	\$ -	\$ 4,832,569	\$ 829,695	\$ 65,879	\$ 5,728,143

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

**YouthForce NOLA
Statement of Functional Expenses
For the Year Ended December 31, 2020**

	Program Services									Supporting Services			
	School Engagement and Capacity	Employer Engagement and Capacity	Internship and Soft Skills	Training Provider Capacity	Family Engagement and Communication	Strategic Alignment	Connect	LAUNCH	Research	Total	Management and General	Fundraising	Total
Payroll Expense	\$ 190,499	\$ 110,207	\$ 562,655	\$ 95,487	\$ 18,423	\$ 605,460	\$ 96,793	\$ 379,886	\$ -	\$ 2,059,410	\$ 270,786	\$ 11,876	\$ 2,342,072
Grant Expenses	521,839	195,000	-	857,847	-	-	-	77,092	-	1,651,778	-	-	1,651,778
Professional Services	27,572	750	82,243	26,997	43,947	359,087	-	18,367	10,000	568,963	293,725	111,922	974,610
Awards	4,167	-	147,200	-	-	-	-	8,250	-	159,617	-	-	159,617
Occupancy Costs	-	-	-	-	-	-	-	-	-	-	105,722	-	105,722
Office Expenses	1,314	7,947	18,389	5,612	4,709	765	-	11,877	2,740	53,353	15,928	-	69,281
Capital Purchases	577	-	865	38,702	-	-	-	4,767	-	44,911	3,178	-	48,089
Dues and Subscriptions	-	-	7,341	-	1,205	-	-	525	-	9,071	25,258	-	34,329
Insurance Expense	-	-	-	-	-	-	-	-	-	-	21,018	-	21,018
Travel Expenses	1,337	508	6,737	500	9	3,239	-	6,055	-	18,385	249	-	18,634
Office Communications	-	-	5,556	-	-	-	-	3,843	-	9,399	5,762	-	15,161
Depreciation Expense	-	-	-	-	-	-	-	-	-	-	5,494	-	5,494
Conferences and Training	-	-	1,663	-	-	849	-	-	-	2,512	2,447	-	4,959
Bank Service Charge	-	-	-	-	-	-	-	-	-	-	578	283	861
Contract Labor	-	-	447	-	-	-	-	-	-	447	-	-	447
Repair and Maintenance	-	-	-	-	-	-	-	-	-	-	277	-	277
Total	\$ 747,305	\$ 314,412	\$ 833,096	\$ 1,025,145	\$ 68,293	\$ 969,400	\$ 96,793	\$ 510,662	\$ 12,740	\$ 4,577,846	\$ 750,422	\$ 124,081	\$ 5,452,349

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

YouthForce NOLA
Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

	2021	2020
Reconciliation of Changes in Net Assets to Net		
Cash Flows from Operating Activities		
Changes in Net Assets	\$ (320,116)	\$ 918,821
Adjustments to Reconcile Changes in Net Assets to Net Cash (Used in) Provided by Operating Activities		
Depreciation Expense	14,204	5,494
Forgiveness of Paycheck Protection Program	(250,700)	(250,700)
Decrease (Increase) in:		
Accounts Receivable	150,700	(124,194)
Contributions Receivable	62,698	(82,698)
Grants Receivables	6,376	(509,815)
Prepaid Expenses	(225)	15,103
Deposits	(24,742)	(290)
(Decrease) Increase in:		
Accounts Payable	(19,491)	89,142
Accrued Expenses	131,212	104,488
Deferred Revenue	(62,169)	(139,622)
Net Cash (Used in) Provided by Operating Activities	(312,253)	25,729
Cash Flows from Investing Activities		
Purchase of Fixed Assets	(8,316)	(6,338)
Net Cash Used in Investing Activities	(8,316)	(6,338)
Cash Flows from Financing Activities		
Proceeds from Paycheck Protection Program	250,700	250,700
Net Cash Provided by Financing Activities	250,700	250,700
Net (Decrease) Increase in Cash and Cash Equivalents	(69,869)	270,091
Cash and Cash Equivalents, Beginning of Year	3,962,661	3,692,570
Cash and Cash Equivalents, End of Year	\$ 3,892,792	\$ 3,962,661

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

YouthForce NOLA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Organization

YouthForce NOLA (the Organization) was first established in 2015 as an initiative of Educate Now! with the vision of ensuring that every New Orleans public school graduate is thriving economically as a result of being the most sought after talent for hiring and advancement in our region's high-wage career pathways. Educate Now! was organized on October 27, 2008, as a Louisiana not-for-profit private operating foundation, and was dedicated to the effective and sustainable reform of New Orleans public schools. Effective October 20, 2017, Educate Now! changed its name to YouthForce NOLA (the Organization), and effective January 1, 2018, the Organization was awarded public charity status by the Internal Revenue Service for a 60-month advance ruling period. These changes were effectuated to reflect the Organization's shift to a deeper focus on career readiness for New Orleans public high school students.

A collaborative of education, business, and civic organizations, YouthForce NOLA's efforts represent progress towards a shared vision for a more equitable, economically prosperous New Orleans for all New Orleans public school graduates, who are predominantly African-American and growing up in low-income households. YouthForce NOLA works with over 150 employers, 84% of New Orleans' open-enrollment public high schools, quality technical training providers (both higher ed and third-party), and a variety of civic and community organizations, including Orleans Parish School Board, the New Orleans Career Center, the Urban League of Louisiana, and Junior Achievement of Greater New Orleans, amongst others, to accomplish this work. Together, the Organization and its collaborators have launched a variety of programs that impact thousands of individual public school students and created larger, systems-wide changes to better prepare students for post-secondary success - in college, career, and beyond.

YouthForce NOLA's programming thus far focuses on three critical growth areas that research indicates lead to professional success: the development of job-specific technical skills (and earning related industry-validated credentials), the development of soft skills, and the opportunity to apply these first two in the world of work via meaningful work experience. Below are the specific program activities that are required to accomplish the three critical growth areas mentioned above:

- School Engagement and Capacity: Support schools to invest their staff and community, redesign their approach, and forge meaningful partnerships to ensure students have meaningful and rigorous options. Expenditures include sub-grants to schools, staff, and meetings and trainings.
- Employer Engagement and Capacity: Enlist and prepare employers to host students and educators in their workplace, as well as to inform credential and pathway development. Expenditures include sub-grants to employer engagement organizations, staff, educator award stipends, and meetings and trainings.
- Internship and Soft Skills: Provide direct meaningful work experience and soft skills development to in-school youth via paid internships and a teacher fellowship program that trains in-school educators to develop soft skills. Expenditures include student award stipends, staff, student transportation, educator award stipends, and meeting costs.

Note 1. Summary of Significant Accounting Policies (Continued)

Organization (Continued)

- Training Provider Capacity: Ensure there are effective training providers - both higher education and third-party - to supplement schools' teaching of technical skills. Expenditures include sub-grants to training provider organizations, staff, and meeting costs.
- Family Engagement and Communication: Support conversations with families and communities so that there is mutual understanding of opportunities and pathways to student success. Expenditures include sub-grants to a family and community engagement organization, communications collateral, and meeting costs.
- Strategic Alignment: Ensure continued, strategic alignment across collaboration partners - including shared measurement, aligned policy advocacy, consistent communications, and ongoing, continuous improvement. Expenditures include contracts with evaluation partners and technical assistance providers, staff, and meeting costs.
- Connect: Develop systems and opportunities to connect the Organization's collective alumni to promising and good jobs in our target skill clusters. This was a new strand of work introduced in 2019.
- LAUNCH: Facilitate a post-high school bridge year program that enables young people to develop skills, make career connections, and solidify post-secondary plans, in partnership with high school and training provider partners.
- Research: Stay abreast of trends and explore additional avenues to deliver on the YouthForce vision and mission.

Since 2015, the collaborative has effectuated significant successes via these program activities and across all three priority areas. Nearly 900 high school seniors have participated in the Organization's YouthForce Internships program, in which students participate in 60 hours of transferable, power skills training and 90 hours of internship at local employers. The Organization has fostered, supported, and promoted opportunities for students to earn credentials, resulting in a cumulative 2,000+ seniors earning industry-recognized credentials – a ten-fold increase in New Orleans since 2015. The Organization has created a number of programs, including the Soft Skills Teacher Fellowship and the Soft Skills Community of Practice, that deepen soft skills integration in our education system and shown results such as roughly 90% of employer supervisors stating that the work-readiness of their YouthForce Interns to be similar of favorable to that of an entry-level employee. In addition to the top three guiding goals, the Organization has experienced overall success in changing “hearts and minds” of our leaders in our education landscape, who have developed a deep belief in career pathway programming.

YouthForce NOLA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Accounting

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Basis of Presentation

The financial statement presentation is presented with the *Not-for-Profit Entities* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC).

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash Equivalents

For the purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. There were no cash equivalents as of December 31, 2021 and 2020.

Fixed Assets

Fixed assets purchased with a cost in excess of \$2,500 are capitalized and reported at cost at date of acquisition less accumulated depreciation. Donated items are recorded at their fair value on the date of donation.

Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis, which is five years for furniture.

Income Taxes

The Organization is a not-for-profit corporation under Internal Revenue Code Section 501(c)(3) and, therefore, is not subject to income taxes. The Organization follows the provisions of the *Accounting for Uncertainty in Income Taxes* Topic of the FASB ASC. There was no unrelated business income for the years ended December 31, 2021 and 2020. Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The Organization recognizes interest and penalties, if any, related to unrecognized tax benefits in interest expense included in general and administrative expenses on the statements of activities. There were no interest or penalties recognized for the years ended December 31, 2021 and 2020.

Note 1. Summary of Significant Accounting Policies (Continued)

Grants Receivable

Grants receivable include unconditional commitments from various organizations that are recorded at the net realizable value that is expected to be collected by management. At December 31, 2021 and 2020, no allowance for doubtful accounts was recorded as management expects all grants receivable to be collected. Grants receivable totaling \$1,117,189 are due in 2022. No discount has been recorded as there are no amounts due greater than one year. Grants receivable totaled \$1,123,565 as of January 1, 2020.

Net Assets

The financial statements report amounts by class of net assets. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. They may be designated for specific purposes by action of the Board of Directors. See Note 3.

Net Assets With Donor Restrictions - Net assets subject to donor- (or certain grantor) imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions can be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. See Notes 4 and 5.

Revenue and Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Certain direct public grants are conditioned upon certain performance requirements. Consequently, at December 31, 2021 and 2020, conditional promises to give approximating \$1,410,000 and \$2,928,000, respectively, have not been recognized in the accompanying financial statements.

Included in contract revenue for the years ended December 31, 2021 and 2020 was \$64,093 and \$139,622, respectively, pertaining to a three year agreement with the City of New Orleans (the City) to coordinate and facilitate summer internships for up to approximately 925 students who reside in Orleans Parish. The performance obligation of ensuring that the students are paid timely and are covered by worker's compensation is satisfied as the student interns are paid. Any amounts received from the City but not yet paid to the interns are deferred to the period in which they are spent.

Note 1. Summary of Significant Accounting Policies (Continued)

Revenue and Revenue Recognition (Continued)

Also included in contract revenue for the years ended December 31, 2021 and 2020 was \$124,000 and \$312,100, respectively, of revenue for services provided under the LAUNCH program. The performance obligations under the LAUNCH program contract with local public schools are to place students into classes at tertiary institutions to earn industry credentials. Revenue is recognized once students are enrolled in coursework and payment is made to the tertiary institution for tuition on behalf of the student.

In-Kind Contributions

Donated materials and use of facilities are recorded as contributions at fair value when an unconditional commitment is received from the donor. The related expense is recognized as the item is used. Contributions of services are recognized when services received (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.

Advertising Costs

Advertising costs are expensed as incurred and totaled \$8,263 and \$41,174 during the years ended December 31, 2021 and 2020, respectively.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are allocated among the programs and supporting services benefited. Expenses are allocated on a reasonable basis that is consistently applied. When possible, expenses are first allocated by direct identification and then allocation if an expenditure benefits more than one program or function. Payroll expense is allocated on the basis of estimates of time and effort.

Recent Accounting Pronouncements

In September 2020, the FASB issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This standard addresses measurement of contributed nonfinancial assets recognized by not-for-profit organizations, and enhances disclosures with respect to these contributions. The amendments in this ASU will be applied on a retrospective basis and are effective for the Organization's fiscal year ending December 31, 2022. The Organization is currently evaluating the impact of the pending adoption of the new standard on its financial statements.

YouthForce NOLA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Recent Accounting Pronouncements (Continued)

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. In June 2020, the FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*, which provided a limited deferral of the effective dates of ASU 2014-09 and ASU 2016-02 for certain entities that have not yet issued their financial statements. Therefore, ASU 2016-02 will be effective for the Organization for the year ending December 31, 2022. The Organization is currently evaluating the impact of pending adoption of the new standard on the financial statements.

Reclassifications

Certain amounts in the prior period presented have been reclassified to conform to the current period financial statement presentation. These reclassifications have no effect on the previously reported change in net assets.

Note 2. Fixed Assets, Net

Property and equipment at December 31st were as follows:

	2021	2020
Furniture	\$ 102,892	\$ 94,576
Less: Accumulated Depreciation	(28,329)	(14,125)
Total	\$ 74,563	\$ 80,451

Note 3. Board Designations

As of December 31, 2021 and 2020, \$285,220 and \$412,356, respectively, were designated by the board for the LAUNCH program. These board-designated funds can be spent for this program or re-designated for other programs or general operations at the discretion of the Board of Directors.

YouthForce NOLA

Notes to Financial Statements

Note 4. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods at December 31st:

	2021	2020
Subject to the Passage of Time or Expenditure for Specified Purpose		
Career Pathways Programming	\$ 3,155,644	\$ 3,843,327
General Support for Future Periods	49,725	122,403
YouthForce NOLA Internship	-	26,197
Total	\$ 3,205,369	\$ 3,991,927

Note 5. Net Assets Released from Restrictions

The following schedule summarizes net assets released from restrictions during the years ended December 31st:

	2021	2020
Career Pathways Programming	\$ 3,389,103	\$ 2,915,731
Passage of Time	1,020,064	1,246,840
YouthForce NOLA Internship	292,667	215,492
Total	\$ 4,701,834	\$ 4,378,063

Note 6. Revenue from Contracts with Customers

Revenue from contracts with customers is further described in Note 1. The following table provides information about significant changes in the deferred revenue related to contracts for the years ended December 31, 2021 and 2020:

	2021	2020
Deferred Contract Revenue, Beginning of Year	\$ 62,169	\$ 201,791
Revenue Recognized that was Included in Deferred Revenue at the Beginning of the Year	(62,169)	(139,622)
Increase in Deferred Revenue Due to Cash Received During the Year	-	-
Total Deferred Revenue, End of Year	\$ -	\$ 62,169

YouthForce NOLA

Notes to Financial Statements

Note 7. In-Kind Contributions

In-kind contributions are recognized at fair value. During the years ended December 31, 2021 and 2020, in-kind contributions of technical assistance totaling \$-0- and \$17,760, respectively, were received by the Organization.

Note 8. Operating Lease

On July 22, 2019, the Organization signed a lease for office space. The lease calls for monthly payments ranging from \$8,465 to \$8,923 beginning in October 2019 and expiring in September 2024. In July 2021, the lease was amended for expanded office space and calls for monthly payments of \$3,815 beginning in July 2021 and expiring in June 2022. The lease was not renewed. Future minimum payments under this operating lease are as follows:

Year Ending December 31,	Amount
2022	\$ 124,090
2023	107,075
2024	<u>80,306</u>
Total	<u><u>\$ 311,471</u></u>

Note 9. Paycheck Protection Program Grant Income

In March 2021, the Organization entered into a loan with a financial institution for the principal amount of \$250,700 pursuant to the Paycheck Protection Program (PPP) under the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). The PPP contains events of default and other conditions customary for a loan of this type. Under the terms of the CARES Act, PPP loan recipients can apply for and be granted forgiveness for all or a portion of the loan granted under the PPP subject to limitations, based on the use of the proceeds for payment of payroll costs, rent, and mortgage obligations, and covered utility payments, if any.

At the time when the proceeds were received there was no authoritative guidance under U.S. GAAP that addressed accounting and reporting by a not-for-profit entity, that received a forgivable loan from a government. However, U.S. GAAP guided not-for-profit entities to analogize to ASC 958-605, Not-for-Profit Entities – Revenue Recognition, if a not-for-profit entity expected to meet the PPP’s eligibility criteria and concluded that the PPP loan represented, in substance, a grant that was expected to be forgiven.

YouthForce NOLA

Notes to Financial Statements

Note 9. Paycheck Protection Program Grant Income (Continued)

Under ASC 958-605, if a contribution is conditional, it is not recognized until the conditions are either explicitly waived or substantially met. Once the conditions have been substantially met or have been explicitly waived (qualifying cost expenditures are made and eligibility and forgiveness criteria are deemed to be met), recognition of the contribution as income occurs.

The Organization applied to the financial institution and, in June 2022, received forgiveness of the PPP loan in the amount of \$250,700, thus it had recognized PPP grant income for the amount of \$250,700, which has been included in the statement of activities.

Note 10. Employee Benefit Plan

The Organization converted from a SIMPLE IRA to a 401(k) employee benefit plan in May 2020. All employees that have met the age and service requirements are deemed to be participants. Eligible employees may elect to defer a portion of their annual compensation, limited to statutory requirements determined by law. The Organization may make discretionary contributions to the plan each year. Contributions to the plan totaled \$69,100 and \$60,164 for the years ended December 31, 2021 and 2020, respectively.

Note 11. Related-Party Transactions

The Organization received contributions totaling \$396,000 and \$227,400 from board members, board member employers, a family member of a board member and an organization in which he is a director during the years ended December 31, 2021 and 2020, respectively. The Organization made payments totaling \$376,397 and \$514,420 to contractors and subgrantees that share common board membership during the years ended December 31, 2021 and 2020, respectively.

Note 12. Concentration of Contributions

During the year ended December 31, 2021, the Organization received revenues from three funding sources which represent approximately 51% of total revenues. During the year ended December 31, 2020, the Organization received revenues from three funding sources which represent approximately 57% of total revenues.

YouthForce NOLA

Notes to Financial Statements

Note 13. Concentration of Credit Risk

The Organization maintains its cash accounts at a commercial bank and an electronic commerce company. The Federal Deposit Insurance Corporation (FDIC) covers \$250,000 for all depository accounts. The electronic commerce company is not FDIC insured. Amounts on deposit at various times through the year exceeded the federally insured limit. As of December 31, 2021 and 2020, the Organization had cash balances totaling \$3,518,522 and \$3,584,480, respectively, in excess of federally insured limits. Management believes it is not exposed to any significant credit risk on its balances.

Note 14. Liquidity and Availability

The Organization strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and building sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Organization is in the process of building a reserve of unrestricted, undesignated net assets to meet 90 days of expected operating expenditures in the short term. Financial assets in excess of daily cash requirements are invested in certificates of deposit, money market funds and/or other short-term investments.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, consists of unrestricted and undesignated cash totaling \$82,711.

Note 15. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 28, 2022, and determined that no events occurred that require disclosure. No further subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

**YouthForce NOLA
Schedule of Compensation, Benefits, and Other Payments
to Agency Head
For the Year Ended December 31, 2021**

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

Agency Head

Cate Swinburn, President

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

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

Independent Auditor's Report

To the Board of Directors
YouthForce NOLA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of YouthForce NOLA (the Organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 28, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) 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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

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

A Professional Accounting Corporation

Metairie, LA
June 28, 2022

**YouthForce NOLA
Schedule of Findings and Responses
For the Year Ended December 31, 2021**

Part I - Summary of Auditor's Results

Financial Statements

- | | |
|--|---------------|
| 1. Type of auditors' report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified? | None reported |
| 3. Noncompliance material to the financial statements noted? | No |

Federal Awards

Not applicable.

Part II - Financial Statement Findings

None

Part III – Federal Award Findings and Questioned Costs Section

Not applicable

**YouthForce NOLA
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2021**

None

AGREED-UPON PROCEDURES REPORT

YouthForce NOLA

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period January 1, 2021 - December 31, 2021

To the Board of Directors
YouthForce NOLA and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period January 1, 2021 through December 31, 2021. YouthForce NOLA (the Organization) management is responsible for those C/C areas identified in the SAUPs.

YouthForce NOLA 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 the LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, the 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

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

- c) **Disbursements**, including processing, reviewing, and approving.
- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: No exceptions were noted as a result of performing these procedures. Ethics procedure is not applicable.

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.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, 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.*
- 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.

Results: No exceptions were noted as a result of performing these procedures.

Bank Reconciliations

- 3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - 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 (e.g., initialed and dated, electronically logged); and
 - 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.

Results: No exceptions were noted as a result of performing these procedures.

Collections (excluding electronic funds transfers)

- 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).

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 (i.e., 5 collection locations for 5 deposit sites), 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.
 - 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 (e.g., pre-numbered receipts) to the deposit.
 - 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.
 - 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/official verifies 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 that the bond or insurance policy for theft was enforced during the fiscal period.
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.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual 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).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions were noted as a result of performing these procedures.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
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.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - 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.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]
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 that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: No exceptions were noted as a result of performing these procedures

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

11. 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.

12. 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 (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

[Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. 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 (i.e., each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Results: LaPorte could not observe evidence that the monthly statement was reviewed and approved, in writing, by someone other than the authorized card holder (12a).

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

14. 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) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - 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).

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

Results: No exceptions were noted as a result of performing these procedures. No other exception was noted as a result of performing these procedures.

Contracts

15. 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) 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.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
 - 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.

Results: No exceptions were noted as a result of performing these procedures.

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees or officials.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select 2 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 the hours to the employee or officials' cumulative leave records, 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.
19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: No exceptions were noted as a result of performing these procedures.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Not applicable.

Debt Service

21. 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.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Not applicable.

Fraud Notice

23. 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.
24. 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.

Results: No exceptions were noted as a result of performing these procedures.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, verbally discuss the results with management, and report: "We performed the procedure and discussed the results with management."
 - 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 (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - 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.
 - 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.

Results: We performed the procedure and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

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

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

Not applicable.

We were engaged by YouthForce NOLA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were 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, 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.

We are required to be independent of YouthForce NOLA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



A Professional Accounting Corporation

Metairie, LA
June 28, 2022



June 29, 2022

Ms. Dawn Laborie
Director, Audit and Assurance Services
LaPorte CPAs & Business Advisors
111 Veterans Memorial Blvd.
Suite 600
Metairie, LA 70005

Re: Management response to Credit Cards/Debit Cards/Fuel Cards/P-Cards results.

Dear Dawn,

Currently, the only credit card holder is the Executive Director. The expenses on this card are initiated by programmatic personnel and reviewed by their respective manager. At the end of the month, the Executive Director approves the overall expenses. Since the Executive Director is the actual credit card holder, the Organization will provide the credit card statement to the Board Treasurer to review and approve all these expenses. This will be evidenced by Treasurer sign off on the statement that indicates the charges have followed the Organizations policy and is accompanied by required support.

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Cate Swinburn".

Cate Swinburn
President