30th Floor, Energy Centre, 1100 Poydras Street – New Orleans, LA 70163
One Galleria Blvd., Suite 2100 – Metairie, LA 70001
504-837-5990 Phone – 504-834-3609 Fax – pncpa.com

A Professional Accounting Corporation

June 10, 2022

Local Government Services
Louisiana Legislative Auditor
Baton Rouge, Louisiana

To Whom it May Concern:

The independent auditors' report for Agenda for Children, Inc. for the year ended June 30, 2021, is being reissued to include the section titled Report on Supplementary Information. The revision has no impact on the amounts, disclosures, or supplemental information contained in the previously issued consolidated financial statements.

If you have any questions, please contact our office.

Sincerely,

Postlethwaite & Netterville

AGENDA FOR CHILDREN, INC.

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021

P&N
Postlethwaite & Netterville

AGENDA FOR CHILDREN, INC.

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021

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A Professional Accounting Corporation

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Agenda for Children, Inc.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Agenda for Children, Inc. (a nonprofit organization) (the Organization), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to on the previous page present fairly, in all material respects, the consolidated financial position of Agenda for Children, Inc. as of June 30, 2021, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Report on 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 on page 15 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.

Prior Period Consolidated Financial Statements

The consolidated financial statements of the Organization as of and for the year ended June 30, 2020, were audited by other auditors whose report dated December 23, 2020, expressed an unmodified opinion on those consolidated financial statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2022, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Metairie, Louisiana
March 30, 2022

AGENDA FOR CHILDREN, INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

A S S E T S

	2021	2020
ASSETS		
Current assets		
Cash	$ 3,028,562	$ 1,713,305
Restricted cash	1,500,000	-
Total cash	4,528,562	1,713,305
Grants receivable	1,008,710	750,074
Other receivables	1,050	149,634
Prepaid expenses	12,509	125,209
Total current assets	5,550,831	2,738,222
Deposits	10,700	10,700
Due from employees	27,582	34,593
Property and equipment, net	3,489	5,692
Total assets	$ 5,592,602	$ 2,789,207

L I A B I L I T I E S A N D N E T A S S E T S

	2021	2020
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses	$ 367,874	$ 164,767
Refundable advances	1,500,000	-
Paycheck Protection Program loan	495,080	538,874
Total current liabilities	2,362,954	703,641
NET ASSETS		
Without donor restrictions	2,380,125	1,722,732
With donor restrictions	849,523	362,834
Total net assets	3,229,648	2,085,566
Total liabilities and net assets	$ 5,592,602	$ 2,789,207

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

AGENDA FOR CHILDREN, INC.

CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT						
Federal grants	$ 2,457,638	$ -	$ 2,457,638	$ 681,891	$ -	$ 681,891
Non-federal grants and contributions	874,760	3,539,667	4,414,427	940,643	2,061,534	3,002,177
Contract revenue	1,240,818	-	1,240,818	1,709,335	-	1,709,335
Interest income	7,662	-	7,662	13,340	-	13,340
Paycheck Protection Program income	538,874	-	538,874	-	-	-
Other	112,153	-	112,153	184,200	-	184,200
Net assets released from restrictions	3,052,978	(3,052,978)	-	2,160,644	(2,160,644)	-
Total revenues and other support	8,284,883	486,689	8,771,572	5,690,053	(99,110)	5,590,943
EXPENSES						
Program services:						
Early childhood programs	6,847,295	-	6,847,295	4,388,316	-	4,388,316
Communication and policy	144,467	-	144,467	133,216	-	133,216
Support services:						
Management and general	608,838	-	608,838	900,053	-	900,053
Fundraising	26,890	-	26,890	-	-	-
Total expenses	7,627,490	-	7,627,490	5,421,585	-	5,421,585
Change in net assets	657,393	486,689	1,144,082	268,468	(99,110)	169,358
NET ASSETS AT BEGINNING OF YEAR	1,722,732	362,834	2,085,566	1,454,264	461,944	1,916,208
NET ASSETS AT END OF YEAR	$ 2,380,125	$ 849,523	$ 3,229,648	$ 1,722,732	$ 362,834	$ 2,085,566

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

AGENDA FOR CHILDREN, INC.

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

2021

	Program Services		Support Services		
	Early Childhood Programs	Communication and Policy	Management and General	Fundraising	Total Expenses
Personnel costs	$ 1,852,773	$ 132,289	$ 312,137	$ 22,890	$ 2,320,089
Travel and meetings	1,794	509	213	-	2,516
Occupancy	48,190	-	131,193	-	179,383
Advertising and promotion	1,018	4,097	1,156	-	6,271
Contract services	724,083	6,086	34,542	4,000	768,711
Information technology	43,601	529	48,379	-	92,509
Direct program expenses	4,064,293	-	256	-	4,064,549
Office	10,628	-	61,671	-	72,299
Other	100,915	957	19,291	-	121,163
	$ 6,847,295	$ 144,467	$ 608,838	$ 26,890	$ 7,627,490

2020

	Program Services		Support Services		
	Early Childhood Programs	Communication and Policy	Management and General	Fundraising	Total Expenses
Personnel costs	$ 1,756,756	$ 120,689	$ 518,650	$ -	$ 2,396,095
Travel and meetings	63,549	2,738	18,413	-	84,700
Occupancy	49,298	-	134,735	-	184,033
Advertising and promotion	58	3,666	644	-	4,368
Contract services	477,121	5,086	71,922	-	554,129
Information technology	33,916	-	43,258	-	77,174
Direct program expenses	1,954,938	-	-	-	1,954,938
Office	35,435	-	89,887	-	125,322
Other	17,245	1,037	22,544	-	40,826
	$ 4,388,316	$ 133,216	$ 900,053	$ -	$ 5,421,585

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

AGENDA FOR CHILDREN, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
OPERATING ACTIVITIES		
Change in net assets	$ 1,144,082	$ 169,358
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	2,203	2,203
Forgiveness of debt	(538,874)	-
Changes in operating assets and liabilities:		
Grants receivable	(258,636)	(242,061)
Accounts receivable	148,584	(139,834)
Prepaid expenses	112,700	(66,399)
Due from employees	7,011	(1,278)
Accounts payable and accrued expenses	203,107	(86,578)
Refundable advances	1,500,000	-
Net cash provided by (used in) operating activities	2,320,177	(364,589)
FINANCING ACTIVITIES		
Paycheck Protection Program proceeds	495,080	538,874
Net cash provided by financing activities	495,080	538,874
Net change in cash	2,815,257	174,285
Cash, beginning of year	1,713,305	1,539,020
Cash, end of year	$ 4,528,562	$ 1,713,305

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

AGENDA FOR CHILDREN, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Organization

Agenda for Children, Inc. (AFC) is a non-profit corporation organized to provide an informed, consistent and intentional voice on behalf of Louisiana's children. Agenda for Children, Inc. helps families find and choose child care and offers training and technical assistance for child care providers in the southeastern Louisiana area.

New Orleans Early Education Network (NOEEN) is a non-profit corporation organized on June 22, 2017 to have a collective impact on the early childhood sector in New Orleans by increasing at-risk children's access to quality early care and education and by designing and implementing a systematic approach to improve the quality of all publicly funded early learning programs. AFC has the power to direct the activities of NOEEN and has fiscal control over the assets of NOEEN through a fiscal sponsorship agreement. NOEEN has limited activity related to grant funding for the years ended June 30, 2021 and 2020, respectively.

Agenda for Children's Programs work on behalf of Louisiana's children and families is in pursuit of three primary goals: (1) Access: Increase access to high quality early learning opportunities for children and families in need, (2) Quality: Improve the quality of opportunities for children and the adults who care for them and (3) Resources: Connect people to resources to help their efforts to help children thrive. Program services consists of learning programs and communication and policy services.

Consolidated Financial Statements

The accompanying consolidated financial statements include the accounts of AFC and NOEEN (collectively, the Organization). All significant intercompany transactions have been eliminated in consolidation.

Basis of Accounting and Presentation of Net Assets

The consolidated financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

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

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities.

1. Summary of Significant Accounting Policies (continued)

Recently Adopted Accounting Standard

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers,* to update its revenue recognition standard to clarify the principles of recognizing revenue and eliminate industry-specific guidance as well as help financial statement users better understand the nature, amount, timing, and uncertainty of revenue that is recognized. There were no material changes to recognition or presentation of revenue as a result of the application of this ASU.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates, and those differences could be material.

Cash and Cash Equivalents

Cash includes amounts on deposit at financial institutions. The Organization considers all highly liquid investments available for current use with initial maturity of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash equivalents. The Organization held no cash equivalents at June 30, 2021 and 2020. Restricted cash represents amounts held by the Organization with donor-imposed restrictions.

Receivables

Receivables consisting of grants and accounts receivable are stated at the amount management expects to collect from outstanding balances. The Organization determines the allowance for uncollectable receivables based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Receivables are written off when deemed uncollectable. As of June 30, 2021 and 2020, management did not deem any receivables to be uncollectable; therefore, no allowance was recorded.

Property and Equipment

The Organization records property and equipment at cost or, if donated, at fair value on the date of donation. The Organization capitalizes property and equipment in excess of $5,000. Depreciation is computed using the straight-line method over the following estimated useful lives: software - 3 years and furniture and equipment - 5 years. Leasehold improvements are depreciated over the shorter of the useful life of the improvement or the remaining term of the lease.

When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

1. Summary of Significant Accounting Policies (continued)

Property and Equipment (continued)

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2021 and 2020.

Revenue and Revenue Recognition

Revenues from contract services are recognized over the term of the contract. The Organization has determined that revenues from such contracts are attributable to three performance obligations (Differentiated Coaching, Group Training and a centralized source for Early Childhood Centers), and the Organization recognizes revenue as the services are performed. Progress toward completion of the Organization's consulting contracts is measured by the completion of various tasks as set forth in the scope of work. The transaction price is based on a unit cost methodology in the contract, and there is no variable consideration. There is no significant financing component as payment is received shortly after invoicing.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and nature of any donor-imposed restrictions.

Net assets with donor restrictions or net assets without donor restrictions are increased, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Grants receive the same accounting treatment as contributions if management determines there are no donor imposed conditions. Revenues from grants that are determined to have donor-imposed conditions are recognized as the related expenses are incurred, with unexpended funds recorded as refundable advances.

Contributed Services

Members of the Organization's board of directors and other volunteers have made contributions of their time to assist in the Organization's operations and related charitable programs. The value of this contributed time is not recorded in these financial statements because it does not meet the requirements to be recorded in accordance with U.S. GAAP.

Income Taxes

AFC is a not-for-profit corporation organized under the laws of the State of Louisiana. AFC is exempt from Federal income tax under Section 501(c)3 of the Internal Revenue Code (the Code) and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the Code.

1. Nature of Activities and Significant Accounting Policies (continued)

Income Taxes (continued)

AFC has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions.

The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Direct program expenses are costs incurred that are charged directly to the function that benefits from the expense. All other costs have been allocated among the programs and supporting services benefited using time and effort.

Accounting Pronouncements Issued but Not Yet in Effect

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. The ASU requires the new standard to be applied retrospectively, with amendments taking effect for the Organization's fiscal year ending June 30, 2022.

In February 2016, the FASB issued ASU 2016-02, *Leases*. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the balance sheet as well as additional disclosures. In July 2018, the FASB issued ASU 2018-11, *Leases (Topic 842): Targeted Improvements*, to simplify the lease standard's implementation. On June 3, 2020, the FASB deferred the effective date of this standard for certain entities. This standard will be effective for the Organization's fiscal year ending June 30, 2023.

The Organization is currently assessing the impact of these pronouncements on its consolidated financial statements.

AGENDA FOR CHILDREN, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Liquidity and Availability

The following presents the Organization's financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year at June 30:

	2021	2020
Financial assets at year-end:		
Cash	$ 4,528,562	$ 1,713,305
Grants receivable	1,008,710	750,074
Accounts receivable	1,050	149,634
Deposits	10,700	10,700
Due from employees	27,582	34,593
Total financial assets	5,576,604	2,658,306
Less amounts not available to be used within one year for general expenditures:		
Restricted cash	1,500,000	-
Deposits	10,700	10,700
Due from employees	27,582	34,593
	1,538,282	45,293
Financial assets available to meet general expenditures within one year	$ 4,038,322	$ 2,613,013

The Organization's goal is to maintain at least 90 days of our operating expenses (approximately $4.5M), a level greater than the recommended standard of 30 – 60 days value of expenditures in reserves. As part of its liquidity management plan, the Organization plans to invest cash in excess of daily requirements in short-term investments, CDs, and money market funds. In August 2021, the Organization entered into a $500,000 line of credit with a local financial institution. The line of credit bears interest at a variable prime interest rate which was 3.25% as of August 2021. No amounts have been drawn on the line of credit. The line of credit is available to meet seasonal cash flow needs and in preparation for natural disasters and catastrophic events that may interrupt business.

2. Concentrations and Credit Risk

For the years ended June 30, 2021 and 2020, the Organization received approximately 30% and 12%, respectively, of its revenue from various federal grants passed through the Louisiana Department of Education. The grant amounts are appropriated each year by the federal government. If significant budget cuts are made at the federal level, the amount of funds the Organization receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will significantly affect the amount of funds the Organization will receive relating to its grant awards.

The Organization has concentrated its credit risk for cash by maintaining deposits in reputable financial institutions, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation. The Organization has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

3. Net Assets with Donor Restrictions

Net assets with donor restrictions were for the following purposes at June 30:

	2021	2020
Time and Purpose:		
NOEEN- Baptist Community Ministries	$ 179,523	$ 65,000
ECHO Grant - W.K. Kellogg Foundation	20,000	-
Purpose:		
City Seats- City of New Orleans	600,000	112,000
The Booth-Bricker Fund	-	100,000
Kid's Count - Annie E. Casey Foundation	50,000	50,000
Baton Rouge Area Foundation	-	33,334
Greater New Orleans Foundation	-	2,500
	$ 849,523	$ 362,834

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by occurrences of other events specified by donors. The primary funds released from net assets with donor restrictions during the year ended June 30, 2021, were City Seats expenditures of $1,912,000 and W.K. Kellogg Foundation ECHO Fund expenditures of $480,000. The primary funds released from net assets with donor restrictions during the year ended June 30, 2020, were City Seats expenditures of $1,388,000 and expenditures of approximately $374,000 from W.K. Kellogg Foundation grants.

4. Property and Equipment

Property and equipment consist of the following as of June 30:

	2021	2020
Leasehold improvements	$ 52,392	$ 52,392
Telephone	11,016	11,016
Software	21,880	21,880
	85,288	85,288
Less: accumulated depreciation	(81,799)	(79,596)
Property and equipment, net	$ 3,489	$ 5,692

5. Leases

The Organization leases office locations in New Orleans, Mandeville, and Houma, Louisiana. The New Orleans lease expires on December 31, 2022. The original lease terms of the Mandeville and Houma locations have expired but continue subsequent to expiration on a month-to-month basis. The Houma location leased space was destroyed during Hurricane Ida during the year ended June 30, 2021, and the lease terminated as a result.

6. Leases (continued)

Future minimum lease payments are as follows for the Organization's fiscal years ending:

2022	$	84,000
2023		42,600
	$	126,600

The rental expense for the years ended June 30, 2021 and 2020, totaled $124,311,and $135,007, respectively.

7. Related Party Transactions

The Organization incurred expenses with a business owned by a current board member totaling approximately $119,000 and $210,000 during the years ended June 30, 2021 and 2020, for services related to its child care training programs.

The Organization has recorded amounts due from employees related to the change in the frequency of when payroll was processed. At termination, the amount is withheld from the employee's final paycheck.

8. Cooperative Endeavor Agreement

On June 4, 2020, retroactively effective as of January 1, 2020, the Organization entered into a one-year Cooperative Endeavor Agreement (CEA) with the City of New Orleans (the City) to accomplish the public purpose of providing young children with access to early education programs. The CEA required the Organization to enroll no fewer than 100 Orleans parish resident students, aged 0 – 3 years old, into early education programs across the City with a State performance rating of 3.75 or higher. Pursuant to the CEA, the City was to pay the Organization for the enrollment of no greater than 100 students at the rate of $1,000 per student per month, for a total amount not to exceed $1,200,000 per year. In addition, the City was to pay the Organization a maximum amount not to exceed $300,000 per year for administrative and managerial costs.

On August 24, 2020, an Amendment to the CEA was signed to increase the minimum enrollment of students from 100 to 200 at the rate of $1,000 per student per month or $2,400,000. The administrative fee was increased to $600,000 per year for administrative and managerial costs. The CEA is effective through December 31, 2021.

9. Compensated Absences

Employees of the Organization are entitled to paid vacation and sick days, depending on length of service and other factors. The Organization's policy is to accrue amounts earned by employees at the end of the year. As of June 30, 2021 and 2020, the Organization accrued $41,228 and $47,045, respectively, which are included in accounts payable and accrued expenses on the consolidated statements of financial position.

10. Employee Retirement Plan

The Organization adopted a 403(b) retirement plan (the Plan) on October 1, 2019, that is available to all eligible employees. Employees may contribute up to the maximum level of deferral allowed by the Internal Revenue Service. The Plan provides for safe harbor nonelective contributions equal to 3% of each employee's eligible compensation. Safe harbor contributions for the years ended June 30, 2021 and 2020, were $56,977 and $48,862, respectively.

11. Paycheck Protection Program

The Organization has accounted for the loan proceeds based upon FASC *Accounting Standards Codification 470, Debt.*

During the year ended June 30, 2020, the Organization applied for and was approved for a $538,874 loan under the Paycheck Protection Program (PPP) administered by the Small Business Administration (SBA) as part of the relief efforts related to COVID-19. The loan accrued interest at a fixed rate of 1.00% but payments were not required to begin for six months after the funding of the loan. The Organization was eligible for forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan was fully forgiven in January 2021.

During the year ended June 30, 2021, the Organization applied for and was approved for a $495,080 PPP Second Draw loan. The second draw is also administered by the SBA as part of the relief efforts related to COVID-19. The loan accrues interest at a fixed rate of 1.00% but payments are not required to begin for six months after the funding of the loan. The Organization is eligible for forgiveness of up to 100% of the loan, upon meeting certain requirements.

12. Subsequent Events

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, March 30, 2022, and determined that the following requires additional disclosure.

- In August 2021, the Organization entered into a $500,000 line of credit with a local financial institution.
- The termination of the Houma office lease as described in Note 6
- The CEA with the City of New Orleans was renewed for another year with the maximum amount to be funded of $3,000,000.

No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

SUPPLEMENTAL SCHEDULE

AGENDA FOR CHILDREN, INC.
SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2021

Agency Head Name: Dr. Anthony Recasner
CEO - Agenda for Children

Purpose		Amount
Salary	$	160,000
Benefits - FICA & Medicare		9,726
Benefits - health insurance		5,657
Benefits - life insurance		994
Benefits - retirement		4,800
	$	181,177

Agency Head Name: Jennifer Roberts
Executive Director - New Orleans
Early Education Network

Purpose		Amount
Salary	$	150,000
Benefits - FICA & Medicare		10,712
Benefits - life insurance		994
Benefits - retirement		4,500
Cell phone		1,100
	$	167,306

P&N
Postlethwaite & Netterville

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A Professional Accounting Corporation

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

To the Board of Directors
Agenda for Children, Inc.

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 consolidated financial statements of Agenda for Children, Inc. (the Organization), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated March 30, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated 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.

Postlethwaite & Netterville

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated 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.

Postlethwaite & Netterville

Metairie, Louisiana
March 30, 2022

P&N
Postlethwaite & Netterville

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A Professional Accounting Corporation

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

To the Board of Directors of
Agenda for Children
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Agenda for Children's (a nonprofit organization) (the Organization) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2021. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

P&N
Postlethwaite & Netterville

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

We have audited the consolidated financial statements of the Organization as of and for the year ended June 30, 2021, and have issued our report thereon dated March 30, 2022, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 of expenditures of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Postlethwaite & Netterville

Metairie, Louisiana
March 30, 2022

AGENDA FOR CHILDREN, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor	Federal Assistance Listing	Pass-Through Grantor's Number	Federal Expenditures
U.S. Department of Education			
(Passed through the State of Louisiana Department of Education)			
Comprehensive Literacy State Development	84.371	28-20-ECLF-A4	$ 306,901
(Passed through Tulane University)			
Institute for Education Sciences	84.305H	R305H190041	8,759
Robert Wood Johnson	84.305H	77183	30,864
			39,623
Total for U.S. Department of Education			346,524
U.S. Department of Health and Human Services			
(Passed through the State of Louisiana Department of Education)			
Preschool Development Grants	93.434	28-21-PDGS-A4	854,205
Ready Start Early Childhood Community Network Pilots	93.434	28-19-RSB5-NH	255,269
Infant CLASS Supports Grants	93.434	27-20-ICKG-NH	58,873
			1,168,347
(Passed through the State of Louisiana Department of Education)			
Child Care and Development Block Grant (CCDF)Cluster:			
COVID CCR CCDF	93.575	28-21-CCCR-A4	625,600
Early Childhood Community Network Agencies	93.575	28-18-CO-NH	296,545
EC Curriculum Reimbursement	93.575	28-18-CZ-A4	20,622
Total CCDF Cluster			942,767
Total U.S. Department of Health and Human Services			2,111,114
Total Federal Expenditures			$ 2,457,638

See accompanying notes to the schedule of expenditures of federal awards.

AGENDA FOR CHILDREN, INC.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2021

Note A - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Agenda for Children (the Organization) under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note B - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to the Organization's consolidated financial statements for the year ended June 30, 2021. Such expenditures are recognized following the cost principles contained in accordance with the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the consolidated financial statements.

Note C - Relationship to Financial Statements

Federal revenues of $2,457,638 are included in the Consolidated Statement of Activities.

Note D - De Minimis Cost Rate

During the year ended June 30, 2021, the Organization did not elect to use the 10% de minimis cost rate as covered in §200.414 of the Uniform Guidance.

Note E - Amounts Passed through to Subrecipients

During the year ended June 30, 2021, the Organization's did not pass through any federal funding to subrecipients.

AGENDA FOR CHIDREN, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of Independent Auditors' Results

Consolidated financial statements

The type of report issued on the consolidated financial statements:	Unmodified opinion
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	None noted
Noncompliance material to the consolidated financial statements noted?	No

Federal Awards

Internal controls over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Type of auditors' report issued on compliance for major programs:	Unmodified opinion
Any audit findings which are required to be reported under the Uniform Guidance?	No
Identification of major program:	
ESSA Preschool Development Grants	Assistance Listing #: 93.434
Child Care and Development Block Grant Cluster	Assistance Listing #: 93.575
Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as a low-risk auditee under Section 530 of The Uniform Guidance:	No

AGENDA FOR CHIDREN, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Findings– Financial Statements

- None

Findings and Questioned Costs – Major Federal Awards Programs

- None

AGENDA FOR CHIDREN, INC.

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Findings– Financial Statements

2020-001

Criteria:	Management for the Organization is responsible for establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met and ensuring that management and financial information is reliable and properly reported as outlined in Section A1.08(d) of the *Government Auditing Standards.*
Condition:	During our audit procedures we noted, the Director of Finance and Administration has the ability to sign checks as a backup signer for instances when the Chief Executive Officer (the primary check signer) is not available; she also maintains the accounting records and can post entries to the general ledger.
Cause:	The Organization authorizes the Director of Finance and Administration to sign checks as a backup signer for the Chief Executive Officer on an emergency basis.
Effect:	With this weakness in segregation of duties, the Director of Finance and Administration could potentially perpetrate and conceal fraud and/or misstate the financial statements, whether through errors or misappropriation of the Organization's assets, and not be detected on a timely basis. However, there are a number of mitigating detective controls regarding this weakness, such as the Chief Executive Officer timely reviewing all bank statements and his responsibility to review and preapprove all disbursements. Despite these mitigating detective controls, we still consider this a significant deficiency.
Recommendation:	The Organization should consider putting proper controls in place to ensure a proper segregation of duties between initiating, recording, and approving transactions.
View of Responsible Official:	Management concurred with the recommendation.
Current status:	Resolved.

Findings and Questioned Costs – Major Federal Awards Programs

- N/A this is the first year that a single audit has been required.