
DISABILITY RIGHTS LOUISIANA
CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Disability Rights Louisiana

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Disability Rights Louisiana (a non-profit organization) (DRLA), which comprise the consolidated statement of financial position as of September 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 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 auditors consider internal control relevant to DRLA'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 DRLA'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 above present fairly, in all material respects, the financial position of DRLA as of September 30, 2021, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental information listed in the table of contents is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) 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 relates 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 information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2022, on our consideration of DRLA'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 DRLA'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 DRLA's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Metairie, Louisiana
October 7, 2022

DISABILITY RIGHTS LOUISIANA

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2021

ASSETS

Cash	\$ 907,040
Grants receivable	686,037
Prepaid expenses	67,340
Investments	389,006
Property and equipment, net	<u>1,050,478</u>
 Total assets	 <u>\$ 3,099,901</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued liabilities	\$ 113,856
Refundable advances	141,359
Accrued vested annual leave benefits	166,799
Notes payable	<u>794,459</u>
 Total liabilities	 <u>1,216,473</u>

NET ASSETS

Without donor restrictions	<u>1,883,428</u>
 Total net assets	 <u>1,883,428</u>
 Total liabilities and net assets	 <u>\$ 3,099,901</u>

The accompanying notes are an integral part of this consolidated financial statement.

DISABILITY RIGHTS LOUISIANA

CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Without Donor Restrictions</u>
<u>REVENUES AND SUPPORT</u>	
Grants	\$ 3,693,686
Contributions	4,650
Other	39,384
Investment return, net of expenses	<u>6,568</u>
Total revenues and support	<u>3,744,288</u>
<u>EXPENSES</u>	
Program services	3,450,935
Support services	<u>395,606</u>
Total expenses	<u>3,846,541</u>
Change in net assets	(102,253)
<u>NET ASSETS, BEGINNING OF YEAR</u>	<u>1,985,681</u>
<u>NET ASSETS, END OF YEAR</u>	<u>\$ 1,883,428</u>

The accompanying notes are an integral part of this consolidated financial statement.

DISABILITY RIGHTS LOUISIANA

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Program Services

	Protection and Advocacy for the Developmentally Disabled	Protection and Advocacy for Individuals with Mental Illness	Protection and Advocacy of Individual Rights	Community Living Ombudsman Program	Louisiana Department of Justice Supported Independent Living Advocacy Program	Protection and Advocacy for Beneficiaries with Representative Payees	Financial Access Inclusion and Resources	Work Incentives Planning and Assistance
Salaries	\$ 288,639	\$ 188,912	\$ 154,910	\$ 583,266	\$ 87,775	\$ 355,239	\$ 113,772	\$ 116,728
Fringe benefits	64,420	41,156	34,860	157,468	22,451	98,931	29,461	30,947
Occupancy and other office-related costs	20,961	13,597	12,770	54,154	8,242	62,255	8,905	9,428
Informational technology service contracts	8,407	5,129	4,613	20,209	3,082	13,836	3,659	3,919
Consultant fees	5,994	22,377	8,862	4,659	740	2,748	1,489	11,257
Travel	3,983	1,660	1,561	3,749	51	4,167	140	24
Contractual services	29,231	28,413	16,708	52,212	7,962	30,649	18,065	10,178
Miscellaneous	5,512	4,294	2,625	3,566	508	3,830	520	698
Interest expense	-	-	-	-	-	-	-	-
Depreciation expense	-	-	-	-	-	-	-	-
Equipment expenses	1,891	1,513	823	1,815	208	1,421	420	1,107
Total expenses	\$ 429,038	\$ 307,051	\$ 237,732	\$ 881,098	\$ 131,019	\$ 573,076	\$ 176,431	\$ 184,286

(continued)

The accompanying notes are an integral part of this consolidated financial statement.

DISABILITY RIGHTS LOUISIANA

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(CONTINUED)

	<u>Program Services</u>				<u>Supporting Services</u>			
	<u>Client Assistance Program</u>	<u>Protection & Advocacy of Voter Assistance</u>	<u>Protection & Advocacy for Beneficiaries of Social Security</u>	<u>Other Programs</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Eighth Muse</u>	<u>Total</u>
Salaries	\$ 75,117	\$ 66,892	\$ 53,124	\$ 134,897	\$ 2,219,271	\$ 140,723	-	\$ 2,359,994
Fringe benefits	17,699	16,090	12,817	30,043	556,343	16,464	-	572,807
Occupancy and other office-related costs	10,917	39,669	10,606	10,680	262,184	14,347	79,216	355,747
Informational technology service contracts	4,156	2,254	1,607	4,615	75,486	3,974	-	79,460
Consultant fees	560	533	328	-	59,547	22,034	-	81,581
Travel	18	120	12	98	15,583	845	-	16,428
Contractual services	6,020	5,939	3,502	3,993	212,872	23,458	-	236,330
Miscellaneous	1,478	1,503	2,802	-	27,336	9,046	-	36,382
Interest expense	-	-	-	-	-	-	42,032	42,032
Depreciation expense	-	-	-	-	-	2,530	39,763	42,293
Equipment expenses	1,498	157	10,834	626	22,313	1,174	-	23,487
Total expenses	\$ 117,463	\$ 133,157	\$ 95,632	\$ 184,952	\$ 3,450,935	\$ 234,595	\$ 161,011	\$ 3,846,541

The accompanying notes are an integral part of this consolidated financial statement.

DISABILITY RIGHTS LOUISIANA

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (102,253)
Adjustments to reconcile change in net assets to net cash used in operating activities	
Depreciation	42,293
Unrealized gain on investments	(2,625)
Change in assets and liabilities	
Grants receivable	(146,161)
Prepaid expenses	5,672
Accounts payable and accrued liabilities	3,403
Refundable advances	120,390
Accrued vested annual leave benefits	9,089
	<u>(70,192)</u>
Net cash used in operating activities	<u>(70,192)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Payments on notes payable	<u>(45,391)</u>
Net cash used in financing activities	<u>(45,391)</u>
Net decrease in cash	(115,583)
Cash, beginning of year	<u>1,022,623</u>
Cash, end of year	<u><u>\$ 907,040</u></u>

SUPPLEMENTAL DISCLOSURES

Cash paid for interest	<u><u>\$ 42,032</u></u>
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The accompanying notes are an integral part of this consolidated financial statement.

DISABILITY RIGHTS LOUISIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

(1) Organization

The accompanying consolidated financial statements include the accounts of Disability Rights Louisiana and Eighth Muse, Incorporated (collectively, DRLA) due to DRLA's control and economic interest of Eighth Muse, Incorporated. All significant intercompany accounts and transactions have been eliminated.

DRLA was organized to protect and advocate for the human and legal rights of persons living in Louisiana who are elderly or disabled. DRLA was founded pursuant to a federal law establishing protection and advocacy systems in each state and territory in the U.S. The mandate of the protection and advocacy systems is "to pursue legal, administrative, and other appropriate means to ensure the rights of persons with development disabilities in the state." Since 1977, the client base has been expanded to include other populations, such as persons with other mental and physical disabilities and senior citizens.

Eighth Muse, Incorporated is a non-profit organization organized under the laws of the State of Louisiana. Its primary purpose is the leasing of a commercial building that serves as the administrative and program offices of DRLA in New Orleans, Louisiana.

DRLA's key programs include:

Protection & Advocacy for Individuals with Developmental Disabilities (PADD)

Primarily legal work and policy work that is performed on behalf of an individual or group of individuals who have a diagnosis of intellectual and/or developmental disabilities (I/DD).

Protection & Advocacy for Individuals with Mental Illness (PAIMI)

Primarily legal work and policy work that is performed on behalf of an individual or group of individuals who have documented mental illness.

Protection & Advocacy for Individual Rights (PAIR)

Primarily legal work and policy work that is performed on behalf of an individual with disabilities who are not covered under PADD or PAIMI (typically physical disabilities and/or adult onset/acquired disabilities).

Community Living Ombudsmen Program (CLOP)

Statewide program that monitors private intermediate care facility/developmentally disabled individuals for instances of abuse and neglect. Also assists in moving individuals with I/DD into the community.

Louisiana Department of Justice Supported Independent Living Advocacy Program (SILAP)

Program designed to assist individuals with I/DD who are receiving home and community-based services benefits (residing in the Greater New Orleans and Baton Rouge areas) to be supported in the community and not be subjected to abuse and neglect.

DISABILITY RIGHTS LOUISIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

(1) Organization (continued)

Protection and Advocacy for Beneficiaries with Representative Payees

This program conducts reviews on representative payee performance on behalf of the Social Security Administration (SSA). The program provides oversight to representative payees and their services to beneficiaries as well as giving them support to better understand their role and responsibilities.

Financial Access Inclusion and Resources (FAIR)

Program which assists formerly incarcerated individuals with disabilities in the Greater New Orleans area obtain employment and gain economic and financial stability.

Work Incentives Planning and Assistance (WIPA)

Education and assistance provided to individuals with disabilities who are receiving various types of disability (and other) benefits and how those benefits may be affected by income and assets.

Client Assistance Program (CAP)

Primarily advocacy and case management around assisting individuals with disabilities who are eligible for state vocational rehabilitation services to understand supports and how to use them to gain employment.

Protection & Advocacy of Voter Assistance (PAVA)

Legal, advocacy, policy and monitoring work that increases voter participation among individuals with disabilities (ex: monitoring polling sites for accessibility compliance).

Protection & Advocacy for Beneficiaries of Social Security (PABSS)

Primarily legal work, advocacy and policy work that is performed on behalf of an individual with a disability who is currently being provided social security benefits (ex: handling situations of over payment).

Protection & Advocacy for Individuals with Traumatic Brain Injury (PATBI)

Primarily legal work and policy work that is performed on behalf of an individual or group of individuals who have sustained a traumatic brain injury after the age of 22 (examples: car accidents and combat veterans).

Protection & Advocacy for Assistive Technology (PAAT)

Primarily legal work that is performed on behalf of an individual or individuals with any disability that involves them exercising their right to appropriate forms of disability related assistive technology.

Interest on Lawyer's Trust Account (IOLTA) – Louisiana Bar Foundation

A dual program (divided into serving Children and Adults with disabilities). Used to provide legal services to individuals with mental illness.

DISABILITY RIGHTS LOUISIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

(2) Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements of DRLA have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

U.S. GAAP requires DRLA 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 DRLA. These net assets may be used at the discretion of DRLA'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 DRLA or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. As of September 30, 2021, DRLA had no donor restricted net assets.

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restrictions are accomplished) in the reporting period in which the revenue is recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statement of activities.

Cash and Cash Equivalents

Cash includes amounts on deposit at reputable financial institutions. DRLA considers all highly liquid financial instruments with original maturities of three months or less to be cash equivalents. DRLA held no cash equivalents as of September 30, 2021.

Grants Receivable

Grants receivable are stated at the amount management expects to collect from outstanding balances. Management determines the allowance for uncollectable grants receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Grants receivable are written off when deemed uncollectable. DRLA considers grants receivable to be fully collectable since the balance consists principally of payments due under governmental contracts; therefore, management determined no allowance was required as of September 30, 2021.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

DISABILITY RIGHTS LOUISIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

(2) Summary of Significant Accounting Policies (continued)

Investments

DRLA records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the consolidated statement of financial position. Investment return, net, is reported in the consolidated statement of activities and consists of interest and dividend income and realized and unrealized capital gains and losses, less external investment expenses.

Property and Equipment

DRLA records property and equipment additions over \$5,000 at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 25 years. 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 consolidated statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Management reviews the carrying values of property and equipment 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 year ended September 30, 2021.

Revenue Recognition

DRLA recognizes contributions 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 measurable performance or other barriers and right of return (or release) – are not recognized until the conditions on which they depend have been substantially met.

Grants are deemed to be non-exchange transactions. Revenues from grants are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when DRLA has met the performance requirements and/or incurred expenditures in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statement of financial position.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statement of activities. The consolidated statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are charged directly to program or support services categories based on specific identification where possible. The expenses that are allocated include salaries and fringe benefits for employees that do not work directly on program related activities, operating expenses, information technology services, consultant fees, and contractual services, which are allocated based on actual employee time records.

DISABILITY RIGHTS LOUISIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

(2) Summary of Significant Accounting Policies (continued)

Income Taxes

DRLA and Eighth Muse, Incorporated are not-for-profit corporations organized under the laws of the State of Louisiana. They are exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (the Code), and qualify as organizations that are not private foundations as defined in Section 509(a) of the Code.

DRLA has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income, if any; 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.

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

Estimates

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

Financial Instruments and Credit Risk

DRLA manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, DRLA has not experienced losses in any of these accounts.

Credit risk associated with grants receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and foundations supportive of DRLA's mission.

Accounting Pronouncements Issued but Not Yet in Effect

On September 17, 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 DRLA's fiscal year ending September 30, 2022.

DISABILITY RIGHTS LOUISIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

(2) Summary of Significant Accounting Policies (continued)

Accounting Pronouncements Issued but Not Yet in Effect (continued)

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. The amended guidance relieves businesses and other organizations of the requirement to present prior comparative years' results when they adopt the new lease standard. Instead of recasting prior year results using the new accounting when they adopt the guidance, companies can choose to recognize the cumulative effect of applying the new standard to leased assets and liabilities as an adjustment to the opening balance of retained earnings. This standard will be effective for DRLA's fiscal year ending September 30, 2023.

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

(3) Liquidity and Availability

DRLA regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. DRLA receives grants and contributions without donor restrictions and investment income without donor restrictions to be available to meet cash needs for general expenditures. General expenditures include programmatic expenses, administrative and general expenses, and fundraising expenses expected to be paid in the subsequent year.

DRLA manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability;
- Maintaining adequate liquid assets; and
- Maintaining sufficient reserves to provide reasonable assurance that long term commitments will continue to be met, ensuring the sustainability of DRLA.

The table below presents DRLA's financial assets available for general expenditures within one year at September 30, 2021:

Cash	\$ 907,040
Grants receivable	686,037
Investments	389,006
	<u>\$ 1,982,083</u>

DISABILITY RIGHTS LOUISIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

(3) Investments

Investments at September 30, 2021, consist of the following:

	Fair Market Value
Money market accounts - brokerage account	\$ 854
Fixed income	371,134
Certificates of deposit	17,018
	<u>\$ 389,006</u>

(4) Grants Receivable

Grants receivable as September 30, 2021, consist of the following:

U.S. Department of Health and Human Services	\$ 208,702
Social Security Administration	173,792
State of Louisiana - Department of Justice	291,911
Private foundations	7,063
Louisiana Bar Foundation	4,569
	<u>\$ 686,037</u>

(5) Property and Equipment

Property and equipment at September 30, 2021, consist of the following:

Building	\$ 530,617
Building improvements	434,951
Equipment	7,590
	<u>973,158</u>
Less accumulated depreciation	(387,680)
Land	465,000
Property and equipment, net	<u>\$ 1,050,478</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

(6) Notes Payable

Notes payable at September 30, 2021, consist of the following:

Note payable to a loan corporation, due in monthly installments of \$1,849, which included a fixed interest rate of 4%. The loan matured in March 2022 with a balloon payment of \$100,411. The note was paid in full in June 2022. The note was collateralized by commercial real estate. \$ 109,393

Note payable to a financial institution, due in monthly installments of \$5,436, which includes a fixed interest rate of 5.25%. The loan matures February 13, 2037. Note is collateralized by real property at 1217 Cambronne, 8325 Oak Street, and 8339 Oak Street. 685,066
\$ 794,459

As of September 30, 2021, minimum required principal payments are as follows:

<u>Year ending</u> <u>September 30</u>	
2022	\$ 138,877
2023	31,092
2024	32,697
2025	34,572
2026	36,457
Thereafter	<u>520,764</u>
	<u>\$ 794,459</u>

DRLA had a \$250,000 revolving line of credit with a financial institution. The last renewal on the line of credit closed on August 28, 2020 and matured on August 29, 2021.

(7) Commitments

DRLA leases office space for its administrative office and two branch locations in Lafayette, Baton Rouge, and New Orleans. The administrative office in New Orleans is leased from Eighth Muse, Incorporated (a related party) and the rental income/expense totaling \$182,466 is eliminated for financial statement presentation. The Lafayette lease is under a non-cancellable operating lease expiring January 2023 and the Baton Rouge lease expired in March 2022.

DISABILITY RIGHTS LOUISIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

(8) Commitments (continued)

Future minimum lease payments are as follows:

<u>Year ending</u> <u>September 30</u>		
2022	\$	34,997
2023		<u>9,672</u>
	\$	<u>44,669</u>

Rent expense to third parties for the year ended September 30, 2021, totaled \$42,035.

(9) Retirement Plan

DRLA sponsors a 401(k) plan covering all employees twenty-one years or older starting upon date of hire. DRLA provides a discretionary employer match up to .50% of eligible compensation. Included in fringe benefit expense for the year ended September 30, 2021, is \$7,848 related to the employer match. DRLA also provides an additional discretionary contribution to employees after 500 hours of service. The discretionary percentage was 3% for the year ended September 30, 2021. Included in fringe benefit expense for the year ended September 30, 2021, is \$68,417 related to the employer discretionary contribution. Employees are 100% vested after three years of service from date of hire.

(10) Fair Value Measurement

DRLA reports certain assets at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that DRLA can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, DRLA develops inputs using the best information available in the circumstances.

DISABILITY RIGHTS LOUISIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

(10) Fair Value Measurement (continued)

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to DRLA's assessment of the quality, risk, or liquidity profile of the asset.

DRLA's investments are held in brokered money market accounts and certificates of deposit, which are short term in nature and are valued at fair value, which is reflective of cost plus accrued interest. The investments are considered Level 1 in the valuation input hierarchy described above.

There have been no changes in the methodologies used during the year ended September 30, 2021.

(11) Federally Assisted Programs

DRLA participates in a number of federally assisted programs. These programs are audited in accordance with the Uniform Guidance. Audits of prior years have not resulted in any disallowed costs; however, grantor agencies may provide for further examinations. Based on prior experience, DRLA's management believes that further examinations would not result in any significant disallowed costs.

(12) Economic Dependency and Concentrations

DRLA received the majority of its revenue from funds provided through grants administered by the federal government and the State of Louisiana. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the funds DRLA receives could be reduced significantly and have an adverse impact on its operations. Approximately 99% of its total revenues for the year ended September 30, 2021, came from government grants. Approximately 31% of the grant revenue comes directly from the U.S. Department of Health and Human Services.

(13) Outbreak of COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread throughout the United States. The COVID-19 pandemic has negatively impacted the global economy and created significant volatility and disruption of financial markets. The operations of DRLA were impacted by Covid-19 during the year ended September 30, 2021, in accordance with local, state, and federal requirements. The extent of the continuing impact of the COVID-19 pandemic on DRLA's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and the impact on DRLA's donors, employees and vendors, all of which are uncertain and cannot be predicted.

DISABILITY RIGHTS LOUISIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

(14) Subsequent Events

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, October 7, 2022, and determined that there were no events that require additional disclosure. No events after this date have been evaluated for inclusion in the consolidated financial statements.

DISABILITY RIGHTS LOUISIANA

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2021

	<u>ASSETS</u>			
	<u>DRLA</u>	<u>EIGHTH MUSE, INC.</u>	<u>ELIMINATIONS</u>	<u>TOTAL</u>
Cash	\$ 735,722	\$ 171,318	\$ -	\$ 907,040
Grants receivable	686,037	-	-	686,037
Prepaid expenses	57,049	10,291	-	67,340
Investments	389,006	-	-	389,006
Property and equipment, net	2,530	1,047,948	-	1,050,478
Loan receivable	249,985	-	(249,985)	-
	<u>2,120,329</u>	<u>1,229,557</u>	<u>(249,985)</u>	<u>3,099,901</u>
Total assets	<u>\$ 2,120,329</u>	<u>\$ 1,229,557</u>	<u>\$ (249,985)</u>	<u>\$ 3,099,901</u>
	<u>LIABILITIES AND NET ASSETS</u>			
<u>LIABILITIES</u>				
Accounts payable and accrued liabilities	\$ 113,856	\$ -	\$ -	\$ 113,856
Refundable advances	141,359	-	-	141,359
Accrued vested annual leave benefits	166,799	-	-	166,799
Notes payable	-	1,044,444	(249,985)	794,459
	<u>422,014</u>	<u>1,044,444</u>	<u>(249,985)</u>	<u>1,216,473</u>
Total liabilities	<u>422,014</u>	<u>1,044,444</u>	<u>(249,985)</u>	<u>1,216,473</u>
<u>NET ASSETS</u>				
Without donor restrictions	<u>1,698,315</u>	<u>185,113</u>	<u>-</u>	<u>1,883,428</u>
Total net assets	<u>1,698,315</u>	<u>185,113</u>	<u>-</u>	<u>1,883,428</u>
Total liabilities and net assets	<u>\$ 2,120,329</u>	<u>\$ 1,229,557</u>	<u>\$ (249,985)</u>	<u>\$ 3,099,901</u>

See accompanying Independent Auditors' Report.

DISABILITY RIGHTS LOUISIANA

CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>DRLA</u>	<u>EIGHTH</u>		
	<u>Without Donor</u>	<u>MUSE, INC.</u>		
	<u>Restrictions</u>	<u>Without Donor</u>	<u>Eliminations</u>	<u>Total</u>
<u>REVENUES AND SUPPORT</u>				
Grants	\$ 3,693,686	\$ -	\$ -	\$ 3,693,686
Rental income	-	182,466	(182,466)	-
Contributions	4,650	-	-	4,650
Other	38,773	611	-	39,384
Investment return, net of expenses	6,568	-	-	6,568
	<u>3,743,677</u>	<u>183,077</u>	<u>(182,466)</u>	<u>3,744,288</u>
Total revenues and support				
<u>EXPENSES</u>				
Program services	3,624,278	-	(173,343)	3,450,935
Support services	243,718	161,011	(9,123)	395,606
	<u>3,867,996</u>	<u>161,011</u>	<u>(182,466)</u>	<u>3,846,541</u>
Total expenses				
Change in net assets	(124,319)	22,066	-	(102,253)
<u>NET ASSETS, BEGINNING OF YEAR</u>	<u>1,822,634</u>	<u>163,047</u>	<u>-</u>	<u>1,985,681</u>
<u>NET ASSETS, END OF YEAR</u>	<u>\$ 1,698,315</u>	<u>\$ 185,113</u>	<u>\$ -</u>	<u>\$ 1,883,428</u>

See accompanying Independent Auditors' Report.

SUPPLEMENTAL INFORMATION

DISABILITY RIGHTS LOUISIANA

**SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Agency Head Name: Christopher Rodriguez, Executive Director
October 1, 2020 to May 3, 2021

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 105,971
Benefits - insurance	4,358
Benefits - retirement	3,709
Reimbursements	909
	<u>\$ 114,947</u>

Agency Head Name: Ronald Lospennato, Interim Executive Director
May 4, 2021 to September 30, 2021

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 42,350
Benefits - insurance	15
Benefits - retirement	1,505
Reimbursements	45
	<u>\$ 43,915</u>

See accompanying Independent Auditors' Report.

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 of
Disability Rights Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Disability Rights Louisiana (DRLA) (a nonprofit organization) which comprise the consolidated statement of financial position as of September 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 October 7, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered DRLA'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 DRLA's internal control. Accordingly, we do not express an opinion on the effectiveness of DRLA'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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether DRLA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2021-001.

DRLA's Response to Finding

DRLA's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. DRLA's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Postlethwaite & Netterville

Metairie, Louisiana
October 7, 2022

**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
Disability Rights Louisiana

Report on Compliance for Each Major Federal Program

We have audited Disability Rights Louisiana’s (DRLA) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of DRLA’s major federal programs for the year ended September 30, 2021. DRLA’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 DRLA’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on major federal programs occurred. An audit includes examining, on a test basis, evidence about DRLA’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 DRLA’s compliance.

Opinion on Each Major Federal Program

In our opinion, DRLA 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 September 30, 2021.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2021-001. Our opinion on each major federal program is not modified with respect to this matter.

DRLA's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. DRLA's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of DRLA 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 DRLA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of DRLA's internal control over compliance.

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

Our consideration of 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.

Postlethwaite & Netterville

Metairie, Louisiana

October 7, 2022

DISABILITY RIGHTS LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

<i>Federal Grantor/Program or Cluster Title</i>	<i>Assistance Listing Number</i>	<i>Federal Expenditures</i>
<u>Department of Health and Human Services</u>		
Direct Programs:		
Protection and Advocacy for Individuals with Mental Illness (PAIMI)	93.138	\$ 353,346
Voting Access for Individuals with Disabilities-Grants for Protection and Advocacy Systems (PAVA)	93.618	151,145
Developmental Disabilities Basic Support and Advocacy Grants (PADD)	93.630	483,929
ACL Assistive Technology State Grants for Protection and Advocacy (PAAT)	93.843	62,356
State Grants for Protection and Advocacy Services (PATBI)	93.873	50,956
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES		<u>1,101,732</u>
<u>Department of Education</u>		
Direct Programs:		
Rehabilitation Services Client Assistance Program (CAP)	84.161	127,986
Program of Protection and Advocacy of Individual Rights (PAIR)	84.240	217,066
TOTAL DEPARTMENT OF EDUCATION		<u>345,052</u>
<u>Social Security Administration</u>		
Direct Programs:		
Social Security - Work Incentives Planning and Assistance Program (SLBPP)	96.008	194,937
Social Security State Grants for Work Incentives Assistance to Disabled Beneficiaries (PABSS/PABRP)	96.009	735,935
TOTAL SOCIAL SECURITY ADMINISTRATION		<u>930,872</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 2,377,656</u>

See accompanying Independent Auditors' Report

DISABILITY RIGHTS LOUISIANA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

1. General

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal awards of Disability Rights Louisiana (DRLA) for the year ended September 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). DRLA's reporting entity is defined in Note 2 to the consolidated financial statements for the year ended September 30, 2021. Eighth Muse, Inc. is not a recipient of federal awards. All federal awards received directly from federal agencies are included on the Schedule. The Schedule presents only a selected portion of the operations of DRLA; it is not intended to and does not present the consolidated financial position, consolidated statement of activities, or consolidated cash flows of DRLA.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 2 to DRLA's consolidated financial statements for the year ended September 30, 2021. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

DRLA has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. Relationship to Financial Statements

Total federal award revenues of \$2,377,656 are reporting in grant revenues reflected in the consolidated statement of activities.

5. Relationship to Federal Financial Reports

Amounts reported in the Schedule of Expenditures of Federal Awards agree with the amounts reported in the related federal financial reports.

6. Subrecipients

DRLA did not pass through any grant amounts to subrecipients.

DISABILITY RIGHTS LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2021

A. Summary of Independent Auditors' Results

1) Financial Statements

- a) Type of report issued on the financial statements: Unmodified Opinion
- b) Internal control over financial reporting:
 - Material weakness identified: No
 - Significant deficiency identified not considered to be material weakness: None reported
 - Noncompliance material to financial statements noted: Yes

2) Federal Awards

- a) Internal control over major programs:
 - Material weakness identified: No
 - Significant deficiency identified not considered to be material weakness: None reported
- b) Type of auditors' report issued on compliance for major programs: Unmodified Opinion
- c) Any audit findings disclosed that are required to be reported in accordance with The Uniform Guidance, Section 510(a): Yes
- d) The following is an identification of major programs:

Program Name	Federal CFDA#
Program of Protection and Advocacy of Individual Rights (PAIR)	84.240
Social Security State Grants for Work Incentives Assistance to Disabled Beneficiaries	96.009

- e) The dollar threshold used to distinguish between Type A and Type B Programs, as described in the Uniform Guidance was \$750,000.
- f) Did the auditee qualify as a low-risk auditee under the Uniform Guidance? No

DISABILITY RIGHTS LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SEPTEMBER 30, 2021

B. Findings Relating to the Financial Statements Reported in accordance with *Government Auditing Standards*

Finding 2021-001 – Timely Submission of Audit Reports

Criteria:

Under Louisiana statute (LA R.S. 24:513), DRLA is required to have an annual audit of its financial statements prepared in accordance with U.S. generally accepted accounting principles and to complete the audit and file it with the Louisiana Legislative Auditor (LLA) within six months after year-end.

In accordance the Uniform Guidance, DRLA is required to submit the annual audit reporting package and Data Collection Form to the Federal Audit Clearinghouse within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

Condition:

DRLA did not meet the March 31, 2022 deadline for reporting to the LLA for the year ended September 30, 2021. DRLA filed for and was approved for extensions with the LLA through September 30, 2022. In addition, DRLA did not meet the June 30, 2022 deadline for reporting to the Federal Audit Clearinghouse.

Cause:

DRLA endured turnover in key management and accounting positions during and after the fiscal year ended.

Effect:

DRLA is non-compliant with the state audit law and Uniform Guidance with respect to timeliness of submissions.

Questioned Costs:

For the purposes of this finding, there were no questioned costs.

Identification of a repeat finding:

This is not a repeat finding.

Recommendation:

We note that DRLA has engaged an outsourced accounting firm for accounting assistance and assistance with preparation for the audit. We recommend that the DRLA implement policies and procedures to ensure that the 2022 audit report is submitted to the appropriate parties by the regulated deadlines.

DISABILITY RIGHTS LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SEPTEMBER 30, 2021

B. Findings Relating to the Financial Statements Reported in accordance with *Government Auditing Standards* (continued)

Finding 2021-001 – Timely Submission of Audit Reports (continued)

View of Responsible Official:

The Organization concurs with the finding. The Organization has engaged a third-party accountant to assist with the month end and year end closing adjustments as of and for the year ended September 30, 2022. The Organization has implemented procedures to ensure year end close out procedures are performed in a timely manner and thus the September 30, 2022, audit reports are submitted by the deadlines.

C. Findings and Questioned Costs relating to Federal Awards

See Finding 2021-001 regarding timely submission of audit reports.

DISABILITY RIGHTS LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
SEPTEMBER 30, 2021

Findings Relating to the Financial Statements Reported in accordance with *Government Auditing Standards*:

Findings 2020-001 and 2019-004 – Accounting Manual

Criteria:

DRLA should have systems of internal controls to safeguard assets and ensure timely financial reporting in accordance with U.S. generally accepted accounting principles, and that transactions are executed in compliance with laws, regulations, and the provisions of contracts or grant agreements.

Condition:

The Center does not have a Board approved comprehensive, up to date accounting manual in place. The Center's current manual has been in draft status since 2016. Key provisions are out of date.

Recommendation:

We note that DRLA has engaged an outsourced accounting firm to review and update the draft accounting manual. We recommend that the CEO and the Board oversee the timely execution of this, approve the final draft and put in place processes to ensure the manual is reviewed and updated on an ongoing basis to ensure continued alignment with DRLA's risks, accounting standards, laws and regulations.

Status: Resolved.

Findings and Questioned Costs relating to Federal Awards:

None