



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

YWCA OF GREATER BATON ROUGE

**AUDITED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT**

FOR THE FISCAL YEAR ENDED MARCH 31, 2022

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Luther Speight & Company, LLC
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
YWCA of Greater Baton Rouge
Baton Rouge, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of YWCA of Greater Baton Rouge (a nonprofit organization), which comprise the statement of financial position as of March 31, 2022, and the related statements of activities, functional expenses, and cash flows for the fiscal year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of YWCA of Greater Baton Rouge (YWCA) as of March 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of YWCA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about YWCA's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Continued,

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of YWCA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about YWCA's ability to continue as a going concern for a reasonable period.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

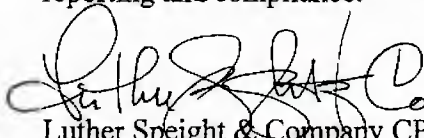
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Supplementary Information

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 (the schedule) is presented to comply with the Act 706 of the 2014 Louisiana Legislative Session and is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2022 on our consideration of YWCA'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 YWCA'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 YWCA's internal control over financial reporting and compliance.


Luther Speight & Company CPAs
New Orleans, Louisiana
November 18, 2022

YWCA of Greater Baton Rouge
Statement of Financial Position
As of March 31, 2022

ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 1,080,518
Government Grants Receivable	774,337
Other Current Assets	4,865
Property and Equipment, Net	1,162,029
TOTAL ASSETS	<u>3,021,749</u>
LIABILITIES	
Accounts Payable	133,508
Accrued Payroll	73,829
Compensated Absences	154,954
Note Payable to Bank	771,853
TOTAL LIABILITIES	<u>1,134,144</u>
NET ASSETS	
Without Donor Restrictions	<u>1,887,605</u>
TOTAL NET ASSETS	<u>1,887,605</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,021,749</u>

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

YWCA of Greater Baton Rouge
Statement of Activities
For the Fiscal Year Ended March 31, 2022

	<u>Without Donor Restrictions</u>
SUPPORT AND REVENUE	
Support	
Government Grants	\$ 5,154,425
Contributions-In-Kind	367,071
Private Grants	350,874
Other Support	11,988
Total Support	<u>5,884,358</u>
Revenue	
Membership Dues	50
Total Revenue	<u>50</u>
TOTAL SUPPORT AND REVENUE	<u><u>5,884,408</u></u>
EXPENSES	
Program Services	5,310,110
Management and General	731,624
TOTAL EXPENSES	<u><u>6,041,734</u></u>
Change in Net Assets	(157,326)
NET ASSETS, BEGINNING OF YEAR	<u>2,044,931</u>
NET ASSETS, END OF YEAR	<u><u>\$ 1,887,605</u></u>

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

YWCA of Greater Baton Rouge
Statement of Functional Expenses
For the Fiscal Year Ended March 31, 2022

	Program Services	Management and General	Total
Salaries	\$ 3,015,060	\$ 334,020	\$ 3,349,080
In-Kind Services	367,071	-	367,071
Fringe Benefits	441,161	44,670	485,831
Professional Services	52,068	34,655	86,723
Payroll Taxes	242,237	29,419	271,656
Supplies	386,664	22,038	408,702
Occupancy	52,026	32,049	84,075
Bail Bond Fees	130,639	-	130,639
Staff Development	71,692	4,120	75,812
Contract Services	26,854	15,250	42,104
Program Services	92,439	-	92,439
Repairs & Maintenance	241,001	47,092	288,093
Insurance	20,049	17,220	37,269
Meetings/Conferences	-	-	-
Office Expense	10,648	10,739	21,387
Travel Expenses	6,953	1,522	8,475
YWCA USA Dues	-	15,450	15,450
Volunteer/Staff Recognition	-	11,133	11,133
Telecommunications	121,699	8,006	129,705
Publicity/Advertising	11,537	16,357	27,894
Dues and Subscriptions	-	1,022	1,022
Interest and Bank Charges	644	27,414	28,058
Parent Services & Activities	19,668	-	19,668
Total Expenses			
Before Depreciation	5,310,110	672,176	5,982,286
Depreciation	-	59,448	59,448
Total Expenses	\$ 5,310,110	\$ 731,624	\$ 6,041,734

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

YWCA of Greater Baton Rouge
Statement of Cash Flows
For the Fiscal Year Ended March 31, 2022

Cash Flows from Operating Activities	
Change in Net Assets	\$ (157,326)
Adjustments to Reconcile Change in Net Assets to	
Net Cash (Used) Provided by Operating Activities:	
Depreciation	59,448
Net Changes in Assets and Liabilities:	
Increase in Grant Receivables	(9,099)
Decrease in Other Current Assets	7,226
Decrease in Accounts Payable	(176,508)
Increase in Payroll Liabilities	34,963
Total Adjustments	<u>(83,970)</u>
Net Cash Used by Operating Activities	<u>(241,296)</u>
Cash Flows from Financing Activities	
Borrowings of Note Payable to Bank, Net	<u>771,327</u>
Net Cash Provided by Financing Activities	<u>771,327</u>
Net Change in Cash and Cash Equivalents	(463,012)
Cash and Cash Equivalents - Beginning of Period	<u>1,543,530</u>
Cash and Cash Equivalents - End of Period	<u><u>\$ 1,080,518</u></u>

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

YWCA OF GREATER BATON ROUGE
Notes to the Financial Statements
March 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

YWCA of Greater Baton Rouge (the Organization) is a Louisiana non-profit corporation organized for the purposes of advancing the spiritual, intellectual, mental, social, cultural and physical condition of women and girls in the Baton Rouge area. The Organization is associated with the Young Women's Christian Association of the United States of America. The Organization is also a participating agency of and receives a portion of its annual funding needs from the Capital Area United Way. Other principal sources of revenues are grants, annual membership-dues, donations and fees charged for various program activities. The Organization is exempt from Federal Income Taxes under Section 501(c)3 of the Internal Revenue Code.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation

In accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as set forth in FASB ASC 958, which established standards for external financial reporting by not-for-profit organizations, the Organization classifies resources for accounting and reporting purposes into two net asset categories which are with donor restrictions and without donor restrictions. A description of these two net asset categories is as follows:

- Net assets without donor restrictions include funds not subject to donor-imposed stipulations. The revenues received and expenses incurred in conducting the mission of the Organization are included in this category. The Organization has determined that any donor-imposed restrictions for current or developing programs and activities are generally met within the operating cycle of the Organization and therefore, their policy is to record those net assets as without donor restrictions.
- Net assets with donor restrictions include funds that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. When a restriction expires, 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. As of March 31, 2022, there were no net assets with donor restrictions.

YWCA OF GREATER BATON ROUGE
Notes to the Financial Statements
March 31, 2022

Revenue Recognition

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions.

A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Unconditional contributions, or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor, are recorded as revenue with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, 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. Conditional contributions are recognized when the barriers to entitlement are overcome and the promises become unconditional. Unconditional contributions are recognized as revenue when received. Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award. Exchange transactions are reimbursed based on a predetermined rate for services performed. The revenue is recognized in the period the service is performed.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with a maturity of three months or less to be cash equivalents.

Uncollectible Accounts, Grants Receivable, and Promises to Give

The Organization uses the direct charge-off method whereby uncollectible accounts are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The direct charge-off method is used because it does not cause a material departure from GAAP and it approximates the valuation method.

YWCA OF GREATER BATON ROUGE
Notes to the Financial Statements
March 31, 2022

Property and Equipment

Expenditures for the acquisition of property and equipment are capitalized at cost. The fair value of donated property and equipment is similarly capitalized. The Organization's threshold for capitalization is \$5,000. Depreciation is computed using the straight-line method for financial reporting purposes over the following estimated useful lives:

Buildings and Grounds	5 – 15 years
Vehicles	5 – 7 years
Furniture and Equipment	3 – 10 years
Leasehold Improvements	10 years

Donated Assets and Services

Land, buildings and equipment received as donations are recognized in the accompanying financial statements at their estimated fair market value at the date they are received. The Organization recognizes contribution revenue for certain services received at the fair value of those services provided those services created or enhance non-financial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The Organization also recognizes contribution revenue for use of facilities and use of equipment and supplies at fair value of what those would typically cost if not provided by donation.

Concentration of Credit

The Organization maintains cash accounts with two financial institutions. The bank balances at March 31, 2022 exceeded the federal insured amount of \$250,000 by \$858,541. The Organization's financial institutions did not hold any pledged collateral against the accounts, so the Organization's bank balances are subject to increased risk.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted using different methods. Salaries and fringe benefits are allocated between the different programs based on an analysis of the cost/benefit to each fund or function. Allowable program direct costs that can be identified to more than one program will be prorated individually as program direct costs using the ratio of actual program/client enrollment to total enrollment/clients served in all programs. Allowable administrative direct costs that can be identified to more than one program/grant will be prorated individually as administrative direct costs using the ratio of program number of employees to total number of all employees. Allowable occupancy costs such as rent, utilities, telephone, internet, maintenance and repair, insurance that can be identified to more than one program/grant will be prorated individually as occupancy direct costs using the ratio of program square footage to total square footage.

YWCA OF GREATER BATON ROUGE
Notes to the Financial Statements
March 31, 2022

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)3 of the Internal Revenue Code and classified by the Internal Revenue Services as other than a private foundation.

The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending December 31, 2019, 2020 and 2021 are subject to examination by the IRS, generally for three years after they were filed.

Recent Accounting Pronouncements

In 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which is intended to improve financial reporting on leasing transactions. ASU No. 2016-02 will require lessees to recognize right of use assets and lease obligations for operating and finance leases under terms greater than 12 months. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2020, with early adoption permitted. ASU No. 2016-02 must be applied modified retrospectively. On June 3, 2020, FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842)* that extended the effective date for certain entities, including the Organization, to annual periods beginning after December 15, 2021. The Organization is currently evaluating the effects of this ASU.

NOTE 2 – PROPERTY AND EQUIPMENT

A summary of property and equipment is as follows:

Buildings and Grounds	\$ 1,341,157
Vehicles	27,690
Furniture and Equipment	146,707
Leasehold Improvements	305,173
	<u>1,820,727</u>
Accumulated Depreciation	(658,698)
Net Book Value	<u>\$ 1,162,029</u>

Depreciation expense for the fiscal year ended March 31, 2022 was \$933,595.

YWCA OF GREATER BATON ROUGE
Notes to the Financial Statements
March 31, 2022

NOTE 3 – NOTES PAYABLE

Short-term notes payable in the amount of \$771,853 at March 31, 2022 consisted of a bank loan with the principle amount of \$792,000 at the bank’s index rate (4.5% at March 31, 2022).

NOTE 4 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and Cash Equivalents	\$ 1,080,518
Government Grants Receivable	<u>774,337</u>
	<u>\$ 1,854,855</u>

NOTE 5 – LEASE COMMITMENTS

The Organization leases three (3) buildings under operating leases. The 3 leases are for various monthly payments with various terms. The Organization also rents storage facilities and equipment on a daily basis as needed. Total rent expense and allocated costs for the fiscal year ended March 31, 2022 was \$82,217.

The future minimum lease payments are as follows:

2023	\$ 35,700
2024	6,000
2025	1,500
2026	-
2027	-
Thereafter	-
	<u>\$ 43,200</u>

YWCA OF GREATER BATON ROUGE
Notes to the Financial Statements
March 31, 2022

NOTE 6 – ECONOMIC DEPENDENCY

The Organization receives the majority of its revenues from funds provided through various state and federal government grants. During the fiscal year ended March 31, 2022, approximately 88% of total support and revenue was received from the government grants. The grant amounts are appropriated each year by federal and state governments. If significant budget cuts are made at the federal, state and/or local level, the amount of funds the Organization receives could be reduced significantly and could have an adverse impact on its operations.

NOTE 7 – RETIREMENT PLAN

Employees of the Organization who meet minimum service requirements are eligible to participate in the National YWCA Retirement Fund (The Plan). The Plan is a cash balance defined benefit plan. Employee contributions are optional. Employees are allowed to make voluntary contributions based on their compensation up to certain maximum limits. An employer's risks of participating in a multiemployer plan are different from a single employer plan in that the assets contributed to a multiemployer plan may be used to provide benefits to employees of other participating employers; and if a participating employer stop contributing to the Plan, unfunded obligations of the Plan, if any, may be borne by the remaining participating employers. During the fiscal year ended March 31, 2022, the Organization contributed \$100,877 to the retirement plan, and these contributions are included as employee fringe benefits in the accompanying financial statements. The actuarial present value of the benefit obligation and fair value of plan assets are not available separately for each employer that participates in the plan.

NOTE 8 – FEDERAL COMPLIANCE CONTINGENCIES

The Organization receives a portion of its revenues from government grants and contracts, all of which are subject to audit by the governments. The ultimate determination of amounts received under these programs generally is based upon allowable costs reported to and are subject to audit by the government. Until such audits, if any, there exists a contingency to refund any amount received in excess of allowable cost. Management is of the opinion that no material liability will result from such audits.

YWCA OF GREATER BATON ROUGE
Notes to the Financial Statements
March 31, 2022

NOTE 9 – IN-KIND CONTRIBUTIONS

During the fiscal year ended March 31, 2022, the Organization received the following non-cash donations of material, services and free use of facilities that have been reflected in the accompanying financial statements in Support and Revenues as Contributions-In-Kind and Functional Expenses as Donations-in-Kind:

Volunteers, Interns, and Professional Services	\$ 30,614
Free or Discounted Use of Facilities	128,219
Equipment Usage and Maintenance Services	108,238
Other Items	<u>100,000</u>
Total In-Kind Contributions	<u>\$ 367,071</u>

Generally accepted accounting principles require that only contributions of services received that create or enhance a non-financial asset or require a specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by donation be recorded. The requirements of these financial standards are different than the in-kind requirements of the Organization's grant awards.

NOTE 10 – COVID-19 GLOBAL PANDEMIC

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) spread across multiple countries, including the United States. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the United States have declared a state of emergency. It is anticipated that these impacts will continue for some time. Future potential impacts may include disruptions to the Organization's operations and the ability for the Organization's employees to perform their tasks.

NOTE 11 – SUBSEQUENT EVENTS

Management evaluated subsequent events as of November 18, 2022, which is the date these financial statements were available to be issued. Management has noted that there are no additional disclosures or adjustments to these financial statements required.



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

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

To the Board of Directors of
YWCA of Greater Baton Rouge
Baton Rouge, Louisiana

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of YWCA of Greater Baton Rouge (a nonprofit organization), which comprise the statement of financial position as of March 31, 2022, and the related statements of activities, functional expenses, and cash flows for the fiscal year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 18, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered YWCA of Greater Baton Rouge's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of YWCA of Greater Baton Rouge's internal control. Accordingly, we do not express an opinion on the effectiveness of YWCA of Greater Baton Rouge'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.

Continued,

Compliance and Other Matters

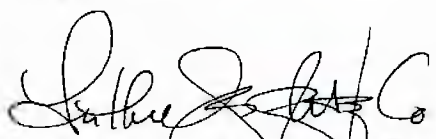
As part of obtaining reasonable assurance about whether YWCA of Greater Baton Rouge's financial statements are free from material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as Finding #2022-01.

YWCA of Greater Baton Rouge's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on YWCA of Greater Baton Rouge's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. YWCA of Greater Baton Rouge's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



Luther Speight & Company CPAs
New Orleans, Louisiana
November 18, 2022



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

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

To the Board of Directors of
YWCA of Greater Baton Rouge
Baton Rouge, Louisiana

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited YWCA of Greater Baton Rouge's (YWCA) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on YWCA's major federal program for the year ended March 31, 2022. YWCA's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, YWCA 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 program for the year ended March 31, 2022.

Basis for Opinion on Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of YWCA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of YWCA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to YWCA's federal programs.

Continued,

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on YWCA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about YWCA's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding YWCA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances
- Obtain an understanding of YWCA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *Uniform Guidance*, but not for the purpose of expressing an opinion on the effectiveness of YWCA's internal control over compliance. Accordingly, no such opinion is expressed

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance. Our opinion on each major federal program is not modified with respect to these matters.

Continued,

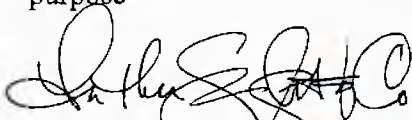
Report on Internal Control over Compliance

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

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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



Luther Speight & Company CPAs
New Orleans, LA
November 18, 2022

YWCA OF GREATER BATON ROUGE
Schedule of Findings and Questioned Costs
March 31, 2022

PART I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

An unmodified opinion was issued on the financial statements of the auditee.

Internal Control Over Financial Reporting:

Material weaknesses identified? ___yes X no

Significant deficiencies identified
not considered to be material weaknesses? ___yes X no

Noncompliance material to financial statements noted? X yes ___no

Federal Awards

Internal control over major programs:

Material weakness (es) identified? ___yes X no

Significant deficiency(s) identified
not considered to be material weaknesses? ___yes X no

An unqualified opinion was issued on compliance.

Any audit findings disclosed that are required to be
reported in accordance with the Uniform
Guidance? ___yes X no

The major programs for the year ended March 31, 2022 were as follows:

1. Early Head Start - CFDA 93.600

Dollar threshold used to distinguish between Type A and
Type B programs:

\$750,000

Auditee qualified as a low-risk auditee.

YWCA OF GREATER BATON ROUGE
Schedule of Findings and Questioned Costs
March 31, 2022

PART II – FINANCIAL STATEMENT FINDINGS

2022-001 – Timely Submission of Annual Audit Report

CRITERIA: Louisiana Revised Statute 24:513 requires that Agencies receiving federal, state, or local government funding from the State of Louisiana submit an independent financial statement engagement to the Louisiana Legislative Auditor’s office within six months from their fiscal year end.

CONDITION: The Organization did not complete and submit its independent audit report within the required deadline.

CAUSE: The Organization did not engage its independent auditor on a timely basis.

EFFECT: Late submission causes the auditee to be put on the non-compliance list and can result in withholding of state and/or federal pass-through funding to the auditee.

RECOMMENDATION: The Organization should implement policies and procedures to ensure timely filing of any and all required reports.

MANAGEMENT

RESPONSE: The Organization has implemented administrative procedures to assure that the independent auditor is engaged prior to the end of the fiscal year.

PART III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No federal award findings were noted during the year ended March 31, 2022.

YWCA OF GREATER BATON ROUGE
Schedule of Prior Year Findings
March 31, 2022

We noted no findings during the prior year audit period.

YWCA of Greater Baton Rouge
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended March 31, 2022

<u>Grantor/State Pass-through/ Program name Location of Project</u>	<u>CFDA Number</u>	<u>Federal Award Identification Number/ Pass-Through Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services			
Administration of Children and Families			
Early Head Start	93.600	06HE01133 06CH011555	\$ 108,396 3,583,294
			<u>3,691,690</u>
City of Baton Rouge, LA			
Resiliency in Communities After Stress and Trauma	93.243	N/A	<u>47,400</u>
Total U.S. Department of Health and Human Services			3,739,090
U.S. Department of Housing and Urban Development			
Louisiana Housing Corporation			
Emergency Solutions Grant Program	14.231	N/A	<u>99,085</u>
Total Federal Expenditures			<u>\$ 3,838,175</u>

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

YWCA OF GREATER BATON ROUGE
Notes to Schedule of Expenditure of Federal Awards
For the Fiscal Year Ended March 31, 2022

NOTE 1 – BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Organization and is presented on the accrual basis of accounting. The information in this schedule is presented 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.

NOTE 2 – INDIRECT COST RATE

The Organization has not elected to use the ten percent (10%) indirect cost rate allowed under the Uniform Guidance.

NOTE 3 – LOAN AND LOAN GUARANTEES

The Organization did not expend federal awards related to loans or loan guarantees during the year ended March 31, 2022. The Organization had no loans outstanding at the year ended March 31, 2022.

NOTE 4 – FEDERALLY FUNDED INSURANCE

The Organization has no federally funded insurance.

NOTE 5 – NONCASH ASSISTANCE

The Organization did not receive any federal noncash assistance for the year ended March 31, 2022.

YWCA of Greater Baton Rouge
Schedule of Compensation, Benefits, and Other Payments
to Agency Head or Chief Executive Officer
For the Fiscal Year Ended March 31, 2022

Agency Head Name and Title: Dianna Payton, CEO

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 128,491
Benefits-FICA	9,829
Benefits-insurance	5,923
Benefits-retirement	6,425
Benefits-executive parking	-
Car allowance	-
vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	<u>\$ 150,668</u>



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

YWCA OF GREATER BATON ROUGE
AGREED UPON PROCEDURES REPORT
FOR THE FISCAL YEAR ENDED MARCH 31, 2022



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
YWCA of Greater Baton Rouge
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by YWCA of Greater Baton Rouge (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period April 1, 2021 through March 31, 2022. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget

Results: The written policies and procedures appropriately address the required elements above.

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

Results: The written policies and procedures appropriately address the required elements above.

- c) **Disbursements**, including processing, reviewing, and approving

Results: The written policies and procedures appropriately address the required elements above.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Results: The written policies and procedures appropriately address the required elements above.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Results: The written policies and procedures appropriately address the required elements above.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

Results: The written policies and procedures appropriately address the above elements except for legal review of contracts.

Management's Response: YWCAGBR does not have a dollar amount threshold for contracts that require legal review. The Board resolution letter gives the CEO approval to sign contracts. Also, YWCAGBR has an attorney on the board of directors and a law firm when legal advice is needed.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

Results: The written policies and procedures appropriately address the required elements above.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

Results: The written policies and procedures appropriately address the above items except for dollar thresholds by category of expense. The Entity follows the State of Louisiana's travel per diem policy for travel per diems and the IRS guidelines for mileage reimbursement. We reviewed those policies, and it appropriately addresses the dollar thresholds.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Results: Not applicable to the Entity.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results: Not applicable to the Entity.

- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Results: *The Entity's information technology and support services provider Baham Laboratories provided a memo that appropriately addresses items 1 through 3 above. However, the memo does not address the use of antivirus software on all systems, timely application of all available system and software patches/updates, and identification of personnel, processes, and tools needed to recover operations after a critical event.*

Management's Response: *Anti-Virus: All computer systems have an Anti-Virus installed, firewall settings in place, and additional custom enhanced security measures as well. All office workstations run Avast AntVirus which checks for updates on virus definitions daily. If the user has neglected to perform a required restart after virus definitions are installed, systems are set to force a restart in 24 hours. Customized security measures include the blocking of known hacker/threat related websites and IP addresses via the PC's host file. The CEO-LAPTOP has been deemed "highly sensitive" and therefore runs the high security version of Malwarebyte's Anti-Virus/Firewall/Threat Protection, but also contains our customized security measures. Windows Security Updates & Patches: All computer systems are joined to the YWCA-BR Active Directory domain server. The office domain server has group policy rules in place requiring that all systems automatically download and install the latest Windows security updates as soon as they're available. Users are required to restart their computers to install these updates within seven (7) days, else the system will force a restart for installation. Additional Notes: Only system administrators are allowed installation of software. Users may at any time request the installation of an application after the review of the application's security. I.T. support software is also installed on each system for remote assistance and tracking of installed security patches. Upon reported incident, infected/affected systems will be immediately removed from the network, and powered off. Data lost on the infected system is immediately recoverable from the cloud data backup, and if needed, the local server data backup.*

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: *The policies and procedures outlined in the Agency's Personnel Policies and Procedures Manual in their Employee Handbook appropriately address the required items above except for annual employee training and annual reporting regarding sexual harassment. The Agency confirms that they present the sexual harassment policy to all new hires and requires a signature.*

Management's Response: *Per the footnote on the State's AUP page, private non-profit entities are not required to have sexual harassment training. At this time, new hires are given the sexual harassment policy for review and signature. However, we agree this is a good business practice, and we will start having annual Sexual Harassment training annually starting 2023.*

Board or Finance Committee

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

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

Results: The Board met in March, June, September, October, and December of 2021. In 2022, the Board met every other month. No exception noted.

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

Results: The Entity is a private non-profit and is not on the governmental accounting model as it relates to the general fund. However, financial statements are presented at the board meetings which include budget to actual comparisons.

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

Results: Not applicable, as the Entity is a non-profit.

Bank Reconciliations

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

Results: List of bank accounts and management's representation were obtained. We selected the month of March 2022 for the testing below.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Results: We noted that YWCA has five bank accounts. There was no evidence on any of the five bank reconciliations that they were prepared within two months of the related statement closing date; the excel reconciliations did not contain initials, dates, or evidence of electronic logging.

Management's Response: During this audit period, there were still periods of high covid 19 numbers and some of the office team members worked remotely. However, the monthly bank statements were still opened, signed, reviewed, and dated by the CEO on a monthly basis.

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

Results: We noted that the bank reconciliations showed no evidence of review by individuals who do not handle cash, post ledgers, or issue checks.

Management's Response: See response for "a" above.

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

Results: We noted that the Investar Bank Operating Account had reconciling items that have been outstanding for more than 12 months from the fiscal year-end. We have not obtained documentation from management reflecting research on these reconciling items.

Management Response: YWCAGBR acknowledges there are six items on the outstanding check list totaling \$2,947 which are over six months old and need reconciling. We will begin this process promptly.

Collections

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

Results: LSC noted that any funds received in person or via postal service are received at the administration office located at 11404 Lake Sherwood Avenue N., Ste B., Baton Rouge, LA 70816. No cash or money orders are received at the business location. The funds are obtained through direct deposit or physical checks.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Results: LSC noted that any funds received in person or via postal service are received at the administration office located at 11404 Lake Sherwood Avenue N., Ste B., Baton Rouge, LA 70816. We have obtained and inspected written policies and procedures relating to employee job duties at the collection location and observed that the job duties are properly segregated. Funds are deposited by Fiscal Assistant and bank reconciliations are performed by the CFO to verify the deposit.

- a) Employees responsible for cash collections do not share cash drawers/registers.
- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Results: Entity provided a copy of a crime insurance policy that was enforced during the fiscal period.

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

Results: We noted that the Entity's collections were supported by proper documentation. We noted that each deposit was made one business day after collection. We also noted no exceptions found when tracing the deposit to the deposit slip and to the bank statement.

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

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

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

Results: Any funds received in person or via postal service are received at the admin office located at 11404 Lake Sherwood Avenue N., Ste B. Baton Rouge, LA 70816.

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

Results: We have obtained a listing of the employees involved and the written policies and procedures relating to employee job duties at the location mentioned above and observed that the job duties are properly segregated. Departments managers request for purchases are put on a purchase order request form and sent to the CEO for approval prior to purchasing. Normal repairs and maintenance items are then billed and paid by the finance department.

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- b) At least two employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

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

Results: We noted the original invoice/billing and all the supportive information matched up, including evidence of segregation of duties with no exceptions.

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

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

Results: We obtained a listing of all active cards, which consisted of only credit cards, and management's representation that the listing is complete.

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

Results: There is evidence showing that the statements were reviewed and approved. Finance charges and late fees were not assessed on any of the five cards.

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
- b) Observe that finance charges and late fees were not assessed on the selected statements.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Results: Client supplied receipts and documentation for the selected transactions. We noted no exceptions.

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

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

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Results: Received documentation of the travel expenses of an employee from the Entity and noticed meals were reimbursed using a per diem rate that is no more than those rates established by the U.S. General Services Administration.

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

Results: Reimbursements using actual costs were supported by the original itemized receipts.

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

Results: Each reimbursement was supported by documentation detailing the business/public purchase for the charge.

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

Results: Each reimbursement was reviewed and approved in writing by someone other than the person receiving the reimbursement.

Contracts

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

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

Results: We noted that all contracts selected were not subject to Louisiana Public Bid Law.

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

Results: Not applicable. Contracts do not require approval by the governing board according to Entity's policy.

- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

Results: We noted no contract amendments.

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

Results: No findings noted.

Payroll and Personnel

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

Results: We requested and obtained paid salaries and personnel files for a selection of five (5) employees. The paid salaries agreed to the authorized salaries in each employee's personnel file. We noted no exception.

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

Results: We requested attendance records and leave documentation for the selected employees. We did not receive all documentation for the selections who were salaried employees.

Management Response: The salaried employees at the admin office and case workers do not clock in and out. The only time you will see something on their timesheet is when they request time off or if there's a holiday in the pay period. Some of the salaried employees at the head start center clock in and out, but it's basically for onsite attendance purposes. They are paid the 86.67hours like all other salaried employees unless they request time off.

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

Results: As mentioned previously, the salaried employees do not ordinarily submit attendance records, but they do accumulate leave.

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

Results: We noted no exception. All selected employees' attendance and leave, if applicable, is approved by a supervisor.

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

Results: We noted no exception. Client provided documents showing each employee's leave accrued or taken.

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

Results: We noted no exception. The rate paid to the selected employees agree to the authorized salary found within the personnel files.

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

Results: LSC noted no exception. We obtained a list of eight former employees and made two selections, a Family Advocate and a Case Manager. The latter did not accrue vacation time, while the Family Advocate accrued vacation time and was compensated for it. The hours agree to the employees' cumulative leave records, pay rates agree to the employees' authorized pay rates in the employees' personnel files, and the termination payment agree to the policy.

- 19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: No exceptions were noted regarding this requirement.

Ethics

Results: Not applicable as the entity is a non-profit.

Debt Service

Results: Not applicable as the entity is a non-profit.

Fraud Notice

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

Results: Management confirmed there were no misappropriations of public funds and assets during the fiscal year ended March 31, 2022.

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

Results: No exceptions noted. The required notice above is present on Entity's website.

Information Technology Disaster Recovery/Business Continuity

22. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

Results: Management contracts an outside company for anything regarding IT. Client supplied contract with the company, Baham Laboratories.

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

Results: We noted no exceptions. LSC obtained documents showing the client has backed up its critical data.

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

Results: We noted no exceptions. LSC obtained documents showing the client has verified that its backups can be restored.

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results: We noted no exceptions. LSC obtained a listing of the client's computers currently in use along with their locations. All 5 selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported.

Sexual Harassment

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

Results: Entity's employees do not receive sexual harassment training. Instead, Entity has a sexual harassment policy that employees sign during new hire orientation.

Management's Response: Per the footnote on the State's AUP page, private non-profit entities are not required to have sexual harassment training. At this time, new hires are given the sexual harassment policy for review and signature. However, we agree this is a good business practice, and we will start having annual Sexual Harassment training annually starting 2023.

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

Results: We noted the sexual harassment policy is not posted on the Entity's website.

Management's Response: See response above.

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

Results: Entity is unable to provide an annual sexual harassment report.

Management's Response: N/A

1. Number and percentage of public servants in the agency who have completed the training requirements;

Management's Response: N/A

2. Number of sexual harassment complaints received by the agency;

Management's Response: N/A

3. Number of complaints which resulted in a finding that sexual harassment occurred;

Management's Response: N/A

4. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

Management's Response: N/A

5. Amount of time it took to resolve each complaint.

Management's Response: N/A

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

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



Luther Speight & Company CPAs
New Orleans, Louisiana
November 18, 2022