

**MOTHER'S CHOICE CHILD CARE, INC.**

Baton Rouge, Louisiana

**FINANCIAL REPORT**

(Reviewed)

December 31, 2022

# MOTHER'S CHOICE CHILD CARE, INC.

Baton Rouge, Louisiana

## TABLE OF CONTENTS

December 31, 2022

	<u>Exhibit</u>	<u>Page</u>
<b>INDEPENDENT ACCOUNTANTS' REVIEW REPORT</b>		1
<b>FINANCIAL STATEMENTS</b>		
Statement of Assets, Liabilities, and Net Assets	A	3
Statement of Revenues, Expenses, and Other Changes in Net Assets	B	4
Statement of Functional Expenses	C	5
Statement of Cash Flows	D	6
Notes to Financial Statements	E	7
<b>SUPPLEMENTARY INFORMATION</b>	<u>Schedule</u>	
Schedule of Compensation, Benefits, and Other Payments to Agency Head	1	12
<b>OTHER REPORTS</b>		
Independent Accountants' Report on Applying Agreed Upon Procedures		13
Louisiana Attestation Questionnaire		17



## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To Board Members of  
Mother's Choice Child Care, Inc.  
Baton Rouge, LA

We have reviewed the accompanying financial statements of **MOTHER'S CHOICE CHILD CARE, INC.** (the Organization) (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets as of December 31, 2022, and the related statements of revenues, expenses, and other changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### Management's Responsibility for the Financial Statements

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

### Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of **MOTHER'S CHOICE CHILD CARE, INC.**, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements for them to be in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of a Matter**

As discussed in Note 7 to the financial statements, the Organization has converted from a cash basis to an accrual basis. Our conclusion is not modified with respect to this matter.

### **Supplementary Information**

The accompanying supplementary information included in Schedule 1 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. We have not audited or reviewed such information and we do not express an opinion, a conclusion, nor provide any assurance on it.

Baton Rouge, Louisiana  
June 28, 2023

*Faulk & Winkler, LLC*  
Certified Public Accountants

**MOTHER'S CHOICE CHILD CARE, INC.**

Baton Rouge, Louisiana

**STATEMENT OF ASSETS, LIABILITIES AND  
NET ASSETS**

December 31, 2022

(See Independent Accountants' Review Report)

**ASSETS**

**CURRENT**

Cash	\$ 403,032
Accounts receivable	<u>11,098</u>

Total current assets	414,130
----------------------	---------

<b>PROPERTY AND EQUIPEMENT, net</b>	<u>123,355</u>
-------------------------------------	----------------

Total assets	<u><u>\$ 537,485</u></u>
--------------	--------------------------

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Payroll liabilities	\$ 224
---------------------	--------

<b>NET ASSETS - WITHOUT DONOR RESTRICTION</b>	<u>537,261</u>
---	----------------

Total liabilities and net assets	<u><u>\$ 537,485</u></u>
----------------------------------	--------------------------

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

**MOTHER'S CHOICE CHILD CARE, INC.**

Baton Rouge, Louisiana

**STATEMENT OF REVENUES, EXPENSES, AND  
OTHER CHANGES IN NET ASSETS**

For the year ended December 31, 2022

(See Independent Accountants' Review Report)

**Without Donor  
Restriction**

	<b>Without Donor Restriction</b>
<b>REVENUES</b>	
Program service fees	\$ 515,374
Government grants:	
American Rescue Plan Act	328,012
Child Nutrition Program	31,635
Teacher stipend	20,800
COVID-19 stipend	600
Director stipend	<u>500</u>
 Total revenue and support	 <u>896,921</u>
<b>EXPENSES</b>	
Program	509,764
General and administrative	<u>280,292</u>
 Total expenses	 <u>790,056</u>
 Increase in net assets before other income	 <u>106,865</u>
<b>OTHER INCOME</b>	
School readiness tax credit	32,500
Interest income	10,708
Other income	<u>280</u>
 Total other income	 <u>43,488</u>
 Increase in net assets	 <u>150,353</u>
<b>NET ASSETS</b>	
Net assets - beginning of year, as restated	<u>386,908</u>
 Net assets - end of year	 <u><u>\$ 537,261</u></u>

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

**MOTHER'S CHOICE CHILD CARE, INC.**

Baton Rouge, Louisiana

**STATEMENT OF FUNCTIONAL EXPENSES**

For the year ended December 31, 2022

(See Independent Accountants' Review Report)

	<u>Program</u>	<u>General &amp; Administrative</u>	<u>Total</u>
Personnel	\$ 288,207	\$ 255,488	\$ 543,695
Lease expense	108,000	-	108,000
Supplies	37,505	-	37,505
Occupancy	33,087	-	33,087
Food for students	21,956	-	21,956
Depreciation	11,949	4,936	16,885
Professional and consulting fees	-	11,170	11,170
Office expenses	979	6,201	7,180
Insurance	5,162	-	5,162
Automobile	883	883	1,766
Training	1,031	-	1,031
Charitable contributions	-	929	929
Employee meals	817	-	817
Other	188	685	873
	<u>\$ 509,764</u>	<u>\$ 280,292</u>	<u>\$ 790,056</u>

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

**MOTHER'S CHOICE CHILD CARE, INC.**

Baton Rouge, Louisiana

**STATEMENT OF CASH FLOWS**

For the year ended December 31, 2022

(See Independent Accountants' Review Report)

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 150,353
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	16,885
Change in operating assets and liabilities:	
Accounts receivable	193,512
Accrued expenses	(6,230)
Deferred revenue	<u>(108,000)</u>
Net cash provided by operating activities	246,520

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of property and equipment	<u>(26,958)</u>
Net increase in cash	219,562

**CASH**

Beginning of year	<u>183,470</u>
End of year	<u>\$ 403,032</u>

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

**MOTHER'S CHOICE CHILD CARE, INC.**

Baton Rouge, Louisiana

December 31, 2022

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of activities**

Mother's Choice Child Care, Inc. (the Organization) is a 501(c)(3) non-profit that provides childcare and education services for children between the ages of two and four.

**Basis of presentation**

The Organization prepares its financial statements on the accrual basis of accounting. The significant accounting policies are described below to enhance the usefulness of the financial statements.

The Organization reports information regarding financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions on net assets.

- *Net Assets Without Donor Restriction* – Net assets that are not subject to or are no longer subject to donor-imposed stipulations.
- *Net Assets With Donor Restriction* – Net assets whose use is limited by donor-imposed time and/or purpose restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. The Organization does not have any net assets with donor restrictions at December 31, 2022.

The statement of revenues, expenses, and other changes in net assets presents expenses of the Organization's operations functionally by program and general and administrative.

**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, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### **Estimates (Continued)**

Actual results could differ from those estimates. Estimates are used primarily when accounting for depreciation and allocation of functional expenses.

### **Concentration of credit risk**

The Organization maintains cash in banks, which may at times exceed the Federal Deposit Insurance Corporation (FDIC) limits; however, management believes this risk is limited. The excess of cash over the FDIC limit of \$250,000 for the Organization is \$89.

### **Cash and cash equivalents**

The Organization considers all highly liquid investments, money market funds and certificates of deposit with a maturity of three months or less at the date of acquisition to be cash equivalents. There were no cash equivalents as of December 31, 2022.

### **Property, equipment, and depreciation**

Property and equipment are recorded at cost, and depreciation is recorded using the straight-line method over the estimated useful life of the asset, less estimated salvage value. The cost of capital assets sold or otherwise disposed of, and the accumulated depreciation thereon are eliminated from the property and equipment and related accumulated depreciation accounts, and any gain or loss is credited or charged to income. The Organization capitalizes individual property and equipment purchases exceeding \$500. Expenses for maintenance and repairs are expensed as incurred.

### **Revenue recognition**

Government grants are recognized when there is reasonable assurance that they will be received, and that the Organization will comply with the conditions attached to them. Grants that compensate the Organization for expenses incurred are recognized as income on a systematic basis in the same periods in which the expenses are incurred.

Revenues from exchange transactions primarily consist of fees related to providing daycare services. The Organization recognizes revenue when performance obligations are satisfied, which is at a specific point in time.

### **Fair value of financial instruments**

The carrying value of accounts receivable and payroll liabilities approximates fair value due to the short-term maturity of these instruments. None of these financial instruments are held for trading purposes.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Functional expense allocation

The financial statements report certain expense categories that are attributable to more than one service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs such as depreciation expense, operating lease expense, and building operating costs are allocated on a square footage usage by program and supporting functions.

### Advertising

Advertising costs of \$678 were expensed as incurred in 2022.

### Income tax status

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code; therefore, the financial statements have no provision for federal and state income tax. The Organization's open audit periods are 2018 through 2022.

### Current Accounting Standards Implemented

The Organization implemented ASU 2016-02, *Leases (Topic 842)*, effective January 1, 2022. The ASU's core principle is that "a lessee should recognize the assets and liabilities that arise from leases." The ASU considered that "all leases create an asset and a liability," and accordingly requires recording the assets and liabilities related to all leases with a term greater than 12 months. Concurrent with the implementation of ASU 2016-02, and ASU 2018-11 "*Leases (Topic 842): Targeted Improvements*," which intended to simplify the transition requirement giving the Organization the option to apply the transition provisions of the new standard at the date of adoption instead of at the earliest comparative period. In implementing these ASUs, the Organization elected the options provided in ASU 2018-11. This accounting was applied to all lease agreements using the modified retrospective method, and when implemented with ASU 2018-11, allowed the Organization to recognize the leased assets and liabilities on its balance sheet beginning on January 1, 2022, without restating prior periods. In adopting the standard on January 1, 2022, the Organization assessed its only lease as a short-term lease and, as such, concluded that the lease did not have to be presented as a right-of-use asset with a corresponding operating liability. Accordingly, the new lease accounting standard had no effect on the Organization's financial statements this year.

### Subsequent events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition and disclosure through June 28, 2023, which was the date the financial statements were available to be issued.

**NOTE 2 - PROPERTY AND EQUIPMENT**

At December 31, 2022, property and equipment is as follows:

Description	Service Life	Amount
Furniture and fixtures	5-7 years	\$ 128,229
Leasehold improvements	20-40 years	63,960
Vehicle	5 years	43,107
		<u>235,296</u>
Less accumulated depreciation		(111,941)
Property and equipment, net		<u>\$ 123,355</u>

Depreciation expense was \$16,885 for 2022.

**NOTE 3 -SHORT-TERM LEASE**

The Organization maintains an operating lease with a month-to-month lease term which automatically renews unless either the lessor or the lessee terminates the lease and is classified as a short-term lease. Therefore, lease payments will be recognized in net income on a straight-line basis over the lease term. This lease includes use of a commercial building in Baton Rouge, Louisiana. During 2022, the lease expense was \$108,000. See Note 5.

**NOTE 4 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization’s financial assets available within one year of the balance sheet are as follows:

	Amount
Cash	\$ 403,032
Accounts receivable	<u>11,098</u>
Financial assets available to meet cash needs for expenditures within one year	<u>\$ 414,130</u>

As part of the Organization’s liquidity management, the Organization maintains sufficient cash funds during the year attributable to the annual cash receipts from service fees and grants.

**NOTE 5 - RELATED PARTY TRANSACTION**

The Organization paid lease expenses of \$108,000 for the year ended December 31, 2022, to Blackwhale, LLC, an affiliated limited liability company that the Executive Director has controlling interest, for the right to use a commercial building to provide childcare services. None of Blackwhale LLC’s assets, liabilities, revenues, or expenses are included in these financial statements.

**NOTE 6 - CHANGE IN ACCOUNTING PRINCIPLE**

During 2022, the Organization was required by the State of Louisiana to submit to the Louisiana Legislative Auditor “reviewed” financial statements prepared in accordance with accounting principles generally accepted in the United States of America.

Due to the aforementioned, the Organization changed its basis of accounting from the cash basis to the accrual basis of accounting. The effects on net assets due to this change are as follows:

	<u>Amount</u>
Net assets at December 31, 2021, as previously stated	\$ 295,667
Effect of restatements:	
Increase in Employee Retention Credit receivable	192,835
Increase in accounts receivable	11,775
Increase in deferred revenue	(108,000)
Increase in payroll liabilities	<u>(5,369)</u>
Net assets at December 31, 2021, restated	<u>\$ 386,908</u>

**MOTHER'S CHOICE CHILD CARE, INC.**  
Baton Rouge, Louisiana

**SCHEDULE OF COMPENSATION, BENEFITS AND  
OTHER PAYMENTS TO AGENCY HEAD**

For the year ended December 31, 2022

**Agency Head: Donna Blackwell**

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 154,100
Car Allowance	6,567
Total	<u>\$ 160,667</u>

**MOTHER'S CHOICE CHILD CARE, INC.**  
Baton Rouge, Louisiana

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

December 31, 2022

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

Board of Directors  
Mother's Choice Child Care, Inc.  
Baton Rouge, Louisiana

We have performed the procedures enumerated below on the **MOTHER'S CHOICE CHILD CARE, INC. (the Organization)**'s compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2022, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Organization's management is responsible for its financial records and compliance with applicable laws and regulations.

The Organization has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the Organization's compliance with the laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the year ended December 31, 2022. Additionally, the Louisiana Legislative Auditor has agreed to and acknowledged that the procedures performed are appropriate for its purposes. The report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

We have performed the procedures included in the *Louisiana Governmental Audit Guide*, enumerated below, which were agreed to by the management of **MOTHER'S CHOICE CHILD CARE, INC. (the Organization)**, the Louisiana Legislative Auditor, and applicable federal and state grantor agency/agencies solely to assist the users in evaluating management's assertions about the Organization's compliance with the certain laws and regulations for the year ended December 31, 2022 included in the accompanying *Louisiana Attestation Questionnaire*. Management of the Organization is responsible for its financial records and compliance with applicable laws and regulations.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and applicable provisions of *Government Auditing Standards*, published by the United States Comptroller General. 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 finding are as follows:

***Federal, State, and Local Awards***

1. We obtained the list of federal, state, and local government grant award expenditures for the fiscal year, by grant and grant year from the Organization’s management.

The Organization was awarded five state grants during the year ended December 31, 2022, as follows:

<u>Grant Description</u>	<u>Amount expended</u>
American Rescue Plan Act - Louisiana Department of Education	\$ 328,012
Child Nutrition Program - State of Louisiana	31,635
Teacher Stipend-EBR Parish Early Childhood Community Network	20,800
COVID-19 Stipend	600
Director Stipend	<u>500</u>
Total	<u>\$ 381,547</u>

2. For each federal, state, and local award, we randomly selected six disbursements from each grant administered during the fiscal year, provided that no more than 30 disbursements are selected.

We randomly selected six disbursements from each grant administered during the fiscal year, except for the Director Stipend grant, which only had one related disbursement.

3. We compared the disbursements selected in Procedure 2 to supporting documentation to determine whether the disbursements agree to the amount and payee in the supporting documentation.

No exceptions were noted.

4. The selected disbursements were coded to the correct general ledger account.
5. The Organization maintains policies for approval of disbursements, although the Organization does not maintain policies in writing. There was no approval noted on any of the selected disbursements.
6. For each selected disbursement made for federal grant awards, we obtained the *Compliance Supplement* for the applicable federal program. For each disbursement made for a state or local grant award, or for a federal program not included in the *Compliance Supplement*, we requested the grant agreement.

We compared the documentation for each disbursement to the program compliance requirements or the requirements of the grant agreement relating to activities allowed or unallowed, eligibility, and reporting. In performing this procedure, we noted the following:

For the American Rescue Plan Act and the Child Nutrition Program awards, we compared documentation for each of the selected disbursements with program compliance requirements related to services allowed or not allowed. No exceptions were noted.

For the American Rescue Plan Act and the Child Nutrition Program awards, we compared documentation for each of the selected disbursements with program compliance requirements related eligibility. The *Compliance Supplement* for the American Rescue Plan Act states that eligibility is not subject to audit and, as such, there are no applicable eligibility requirements. Eligibility requirements for the Child Nutrition Program relates to the eligibility of children participating in the program. Therefore, we could not ascertain whether the Organization is in compliance with eligibility through the review of disbursements.

We compared documentation for each of the disbursements selected with program compliance requirements related to reporting. The Organization reported all expenditures to the Louisiana Department of Education. No exceptions were noted.

The remaining awards listed in Procedure 1 are not included in the *Compliance Supplement*. Additionally, for the Teacher Stipend, COVID-19 Stipend, and Director Stipend, there were no award agreements related to the funding. Per review of the applications for these awards, we noted the following:

We compared documentation for each of the selected disbursements with requirements related to services allowed or not allowed as noted on the applications. No exceptions were noted.

We compared documentation for each of the selected disbursements with requirements related to eligibility as noted on the applications. No exceptions were noted.

No reporting requirements were noted on the applications.

7. Close-out reporting is not required for any grant award listed in Procedure 1.
8. The open meetings law is not applicable to the Organization.
9. For all grants exceeding five thousand dollars, we obtained the comprehensive grant budgets that the Organization provided to the applicable federal, state or local grantor agency. The budgets for federal, state and local grants included the purpose and duration of the grants; and whether budgets for state grants also included specific goals, objectives, and measures of performance. In performing this procedure, we noted the following:

The American Rescue Plan Act grant was the only award over \$5,000 listed in Procedure 1 which provided a comprehensive budget that included the purpose and duration, specific goals, objectives, and measures of performance. Based on our review of the grant agreement, the grantee complied with federal and state laws and regulations in terms of budget, purpose, and duration.

The Child Nutrition Program grant over \$5,000 listed in Procedure 1 above did not require a comprehensive budget.

No budget was required for the Teacher Stipend grant award listed in Procedure 1, which was over \$5,000.

10. The Organization provided a timely report in accordance with R.S. 24:513.
11. The Organization did not enter into any new contracts in 2022 that utilized state funds as defined in R.S. 39:72.1 A. (2).
12. As this is the first year these procedures have been performed for the Organization, there were no prior year suggestions, recommendations, or comments.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

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

This report is intended solely for use of the Board of Directors and management of **MOTHER'S CHOICE CHILD CARE, INC.**, the Louisiana Legislative Auditor, and the applicable federal/state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statutes 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Faulk & Winkler, LLC*  
Certified Public Accountants

Baton Rouge, Louisiana  
June 28, 2023

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Quasi-Public Agencies)**

Dear Chief Executive Officer:

Attached is the Louisiana Attestation Questionnaire that is to be completed by you or your staff. This questionnaire is a required part of the review/attestation engagement of Louisiana quasi-public agencies. The completed and signed questionnaire must be presented to and adopted by the governing body, if any, of your organization by means of a formal resolution in an open meeting.

The completed and signed attestation questionnaire and a copy of the adoption instrument, if appropriate, **must be given to the independent certified public accountant at the beginning of the engagement.** The CPA will, during the course of his/her engagement, perform certain agreed-upon procedures to the responses in the questionnaire. It is not necessary to return the questionnaire to the Legislative Auditor's office.

Certain portions of the questionnaire may not be applicable to your organization. In such cases, it is appropriate to mark the representation "not applicable." However, you must respond to each applicable representation. A 'yes' answer indicates that you have complied with the applicable law or regulation. A 'no' answer to any representation indicates a possible violation of law or regulation and, as such, should be fully explained. These matters will be reviewed by the CPA during the course of his/her engagement. Please feel free to attach a further explanation of any representation.

Your cooperation in this matter will be greatly appreciated.

Sincerely,

Michael J. Waguespack, CPA  
Louisiana Legislative Auditor

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Quasi-public Agencies)**

June 23, 2023 (Date Transmitted)

Faulk and Winkler \_\_\_\_\_ (CPA Firm Name)  
6811 Jefferson Highway \_\_\_\_\_ (CPA Firm Address)  
Baton Rouge, LA 70806 \_\_\_\_\_ (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2022 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

**Federal, State, and Local Awards**

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes  No  N/A

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and local grantor officials.

Yes  No  N/A

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes  No  N/A

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes  No  N/A

**Open Meetings**

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website to determine whether a non-profit agency is subject to the open meetings law.**

Yes  No  N/A

**Budget**

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes  No  N/A

**Reporting**

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes  No  N/A

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes  No  N/A

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes  No  N/A

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes  No  N/A

#### **Prior-Year Comments**

We have resolved all prior-year recommendations and/or comments.

Yes  No  N/A

#### **General**

We acknowledge that we are responsible for the Agency's compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes  No  N/A

We acknowledge that we are responsible for determining that that the procedures performed are appropriate for the purposes of this engagement.

Yes  No  N/A

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes  No  N/A

We have provided you with all relevant information and access under the terms of our agreement.

Yes  No  N/A

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes  No  N/A

We are not aware of any material misstatements in the information we have provided to you.

Yes  No  N/A

We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will disclose to you any such communication received between the end of the period under examination and the date of your report.

Yes  No  N/A

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

Yes  No  N/A

The previous responses have been made to the best of our belief and knowledge.

D. Blacell President 6/28/2023 Date