

**VOLUNTEER INSTRUCTORS
TEACHING ADULTS, INC.**

Lafayette, Louisiana

FINANCIAL REPORT

Year Ended June 30, 2024

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OTHER LOCATIONS:

Eunice Morgan City Abbeville

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Volunteer Instructors Teaching Adults, Inc.
Lafayette, Louisiana

Opinion

We have audited the accompanying financial statements of Volunteer Instructors Teaching Adults, Inc. (VITA) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statement of activities, functional expenses, and cash flows for the 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 VITA as of June 30, 2024, 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 VITA, 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 opinion.

Responsibility 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 VITA's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 VITA'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 VITA's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2024, on our consideration of VITA'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 VITA'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 VITA's internal control over financial reporting and compliance.

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Lafayette, Louisiana

December 2, 2024

FINANCIAL STATEMENTS

VOLUNTEER INSTRUCTORS TEACHING ADULTS, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2024

ASSETS

CURRENT ASSETS

Cash	\$ 163,691
Investments	723,473
Contracts and Grants Receivable	<u>55,335</u>
Total Current Assets	942,499

PROPERTY AND EQUIPMENT (NET)	10,976
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OTHER ASSETS

Security Deposits	4,280
Operating Lease Right-of-Use Assets	<u>243,532</u>
Total Other Assets	<u>247,812</u>

TOTAL ASSETS	<u><u>\$ 1,201,287</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accrued Payroll and Related Liabilities	\$ 14,677
Current Portion of Obligations Under Operating Leases	<u>57,999</u>
Total Current Liabilities	72,676

LONG-TERM LIABILITIES

Obligations Under Operating Leases, Net of Current Maturities	<u>193,170</u>
TOTAL LIABILITIES	<u>265,846</u>

NET ASSETS

Net Assets Without Donor Restrictions	<u>935,441</u>
Total Net Assets	<u>935,441</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,201,287</u></u>
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The accompanying notes are an integral part of these statements.

VOLUNTEER INSTRUCTORS TEACHING ADULTS, INC.

**STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

NET ASSETS WITHOUT DONOR RESTRICTIONS

PUBLIC SUPPORT

Grants	\$ 643,552
Donated Services and Facilities	3,163
Contributions	4
Investment Income	28,211
Other Income	<u>2,502</u>
Total Public Support and Revenues	677,432

EXPENSES

Program Services	545,909
Supporting Services	<u>96,336</u>
Total Expenses	<u>642,245</u>

CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS 35,187

CHANGE IN NET ASSETS 35,187

NET ASSETS AT BEGINNING OF YEAR 900,254

NET ASSETS AT END OF YEAR \$ 935,441

The accompanying notes are an integral part of these statements.

VOLUNTEER INSTRUCTORS TEACHING ADULTS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024

	<u>PROGRAM SERVICES</u>	<u>SUPPORTING SERVICES</u>	<u>TOTAL</u>
Compensation and Related Expenses			
Salaries	\$ 294,653	\$ 51,998	\$ 346,651
Employee Benefits			
Medical	31,862	5,623	37,485
Retirement Plan	7,125	1,257	8,382
Payroll Taxes	<u>21,718</u>	<u>3,832</u>	<u>25,550</u>
	355,358	62,710	418,068
Advertising	5,641	996	6,637
Bank Charges	60	10	70
Computer Expense	1,090	192	1,282
Depreciation	2,118	374	2,492
Banquet Expense	5,929	1,046	6,975
Employee and Board Meetings	1,674	295	1,969
Insurance	3,394	599	3,993
Miscellaneous	1,805	318	2,123
Office Expense	27,476	4,849	32,325
Postage	171	30	201
Printing	1,388	245	1,633
Professional Services	15,230	2,688	17,918
Rent	59,645	10,526	70,171
Repairs and Maintenance	1,790	316	2,106
Telephone and Utilities	11,352	2,003	13,355
Training Material and Activities	31,824	5,616	37,440
Travel, Conferences and Training	19,406	3,425	22,831
Tutor Training	<u>558</u>	<u>98</u>	<u>656</u>
 TOTAL	 <u>\$ 545,909</u>	 <u>\$ 96,336</u>	 <u>\$ 642,245</u>

The accompanying notes are an integral part of these statements.

VOLUNTEER INSTRUCTORS TEACHING ADULTS, INC.

**STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in Net Assets	\$ 35,187
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By Operating Activities:	
Depreciation	2,492
Rent Expense in Excess of Cash Paid	(369)
Changes in Current Assets and Liabilities:	
Contracts and Grants Receivable	12,748
Other Receivables	2,006
Accrued Payroll and Related Liabilities	1,714
Deferred Revenue	<u>(10,000)</u>
Net Cash Provided By Operating Activities	43,778

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Fixed Assets	(1,210)
Purchase of Securities	<u>(82,846)</u>
Net Cash Used In Investing Activities	<u>(84,056)</u>

NET DECREASE IN CASH (40,278)

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 203,969

CASH AND CASH EQUIVALENTS, END OF YEAR \$ 163,691

The accompanying notes are an integral part of these statements.

VOLUNTEER INSTRUCTORS TEACHING ADULTS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Volunteer Instructors Teaching Adults, Inc. (VITA) is a nonprofit community-based educational organization founded in May 1982 for the purpose of providing free educational and literacy services in the Lafayette and Opelousas area to individuals (age 17 and over) whose English reading skills are very limited. The English as a Second Language (ESL) portion of VITA teaches a diverse student population with a number of native languages. Specially trained volunteers who can teach reading, writing, and English speaking skills provide goal-oriented tutoring, e.g. High School Equivalency Test (HiSET) instruction. Individual and small group tutoring sessions are held for a minimum of two (2) hours twice each week in community locations at a time and place convenient to both tutors and students. VITA provides the professional training, materials and support that enable the volunteers to be effective tutors. Primary funding is provided by annual grants from the Louisiana Community and Technical College System through federal and state adult education money available under the Workforce Investment Act of 1998. In September 2008, VITA assumed responsibility for the St. Landry Parish Adult Education program. Through partnership with South Louisiana Community College (SLCC), VITA enrolled students in the Opelousas area, conducting classes at the Opelousas T.H. Harris campus.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Basis of Accounting

The financial statements of VITA, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Donor Restricted and Without Donor Restrictions Support

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. Contributions of property and equipment are reported as net assets with donor restrictions if the donor restricted the use of the property or equipment to a particular program, as are contributions of cash restricted to the purchase of property and equipment. If donors specify a length of time over which the property or equipment must be used, the restrictions expire evenly over the required period; otherwise, the restriction expires when the assets are placed in service. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from donor restrictions.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

VOLUNTEER INSTRUCTORS TEACHING ADULTS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Investments

The Organization carries investments in marketable securities with readily determinable fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. Currently VITA's investments are in Certificates of Deposit.

Allowance for Credit Losses

An allowance for credit losses has not been established, as it is VITA's policy to use the direct write-off method for accounts that are deemed to be uncollectible.

Use of this method does not result in a material difference from the valuation method required by generally accepted accounting principles of the United States of America. The Organization generally does not require collateral, and the majority of its receivables are unsecured. The carrying amount for accounts receivable approximates fair value.

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property and Equipment

The Organization capitalizes all expenditures in excess of \$500 for property and equipment at historical cost. Donated property and equipment are valued at fair market value at the time of donation. If donors stipulate how the assets must be used, the contributions are recorded as with donor restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as without donor restriction support. Depreciation is computed using the straight-line method over the assets' useful lives. Depreciation expense was \$2,492 for the year ended June 30, 2024.

Lease Commitments

In February 2016, the FASB issued ASU 842, Leases. This accounting standard requires leases to recognize right-of-use assets and lease liabilities related to lease arrangements longer than twelve (12) months on the statements of financial position as well as additional disclosures. The standard was effective for the Organization for the year beginning January 1, 2022.

The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

VOLUNTEER INSTRUCTORS TEACHING ADULTS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Lease Commitments (continued)

Operating leases are included in operating lease right-of-use (“ROU”) assets, other current liabilities, and operating lease liabilities in the Organization’s balance sheet. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities in the Organization’s balance sheet.

ROU assets represent the Organization’s right to use an underlying asset for the lease term, and lease liabilities represent the Organization’s obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Organization uses the implicit rate when it is readily determinable. Since the Organization’s leases do not provide an implicit rate, to determine the present value of lease payments, management uses the Organization’s incremental borrowing rate based on the information available at lease commencement. Operating lease ROU assets also include any lease payments made and exclude any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization’s lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise the option.

The Organization has elected to apply the short-term lease exception to all leases with a term of one year or less. Lease payments for leases with a term of twelve (12) months or less are expensed on a straight-line bases over the term of the lease asset or liability recognized.

Deferred Revenue – Grants and Exchange Transactions

Some grants are actually “exchange transactions” that do not qualify as contributions under FASB-ASC 958. In such cases, revenue is not recognized until the services required by the grant are rendered. Until the revenue is recognized, any cash or grant receivable asset must be offset by a “deferred or unearned revenue” liability. These exchange transactions differ from contributions in that the method or type of services reimbursed is stipulated by the granting authority and not by the nonprofit organization.

Functional Allocation of Expenses

The costs of providing the various programs and other 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 benefited.

Compensated Absences

Under FASB-ASC 710, an employer generally is required to accrue a liability for employees’ rights to receive compensation for future absences. The amount of the compensation is included in salaries and compensated absences expense. VITA’s policy does not allow unused compensated absences to carry over beyond the end of each calendar year. A liability for earned, but unused compensated absences at June 30, 2024, has been recorded at \$2,338, and is included in accrued payroll and related liabilities in the statement of financial position.

VOLUNTEER INSTRUCTORS TEACHING ADULTS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Impairments

Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. Long-lived assets were tested for impairment as of June 30, 2024, and in the opinion of management, there was no impairment. It is reasonably possible the relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

Revenue Recognition

The Organization receives support in the form of grants from federal, state, and local governmental agencies, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the Statement of Financial Position. Amounts deferred as of June 30, 2024 and 2023, totaled \$0 and \$10,000, respectively.

Adoption of FASB ASU 2016-13 and Related Standards

At the beginning of 2023, the Organization adopted FASB ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The Organization adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Organization's financial statements but did change how the allowance for credit loss is determined.

Income Taxes

VITA qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to tax return examinations for the periods prior to 2021.

Fair Value Considerations

Fair value is used to measure financial and certain nonfinancial assets and liabilities measured or disclosed at fair value on a recurring basis (at least annually). Fair value is defined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants. The fair value hierarchy established and prioritized fair value measurements into three levels based on the nature of the inputs. The hierarchy gives the highest priority to inputs based on market data from independent sources (observable inputs – Level 1) and the lowest priority to a reporting entity's internal assumptions based upon the best information available when external market data is limited or unavailable (unobservable inputs – Level 3).

VOLUNTEER INSTRUCTORS TEACHING ADULTS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Fair Value Considerations (continued)

The fair value option allows entities to choose, at specified election dates, to measure eligible financial assets and financial liabilities at fair value that are not otherwise required to be measured at fair value. If an entity elects the fair value option for an eligible item, changes in that item's fair value in subsequent reporting periods must be recognized in current earnings. The fair value option was not elected for the measurements of any eligible assets or liabilities.

The estimated fair values of each entity's short-term financial instruments (primarily cash and cash equivalents, receivables, accounts payables, accrued expenses, short-term debt, and lines of credit) approximate their individual carrying amounts due to the relatively short period between their origination and expected realization or payment. Based on market rates for similar loans, the fair value of long-term debt approximates their carrying value.

NOTE 2 FEDERAL, STATE AND LOCAL GRANT AWARDS

Federal Funds

Louisiana Community and Technical College System (LCTCS)	\$ 398,585
ALN: 84.002A	

State Funds

Louisiana Community and Technical College System (LCTCS)	199,729
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Local Funds

Lafayette Consolidated Government (LCG)	11,882
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Other Funds

United Way of Acadiana	23,356
Dollar General	<u>10,000</u>

Total Grant Awards

<u><u>\$ 643,552</u></u>

NOTE 3 PROPERTY AND EQUIPMENT

Property and Equipment consist of the following:

Furniture and Fixtures	\$ 31,543
Equipment	<u>62,201</u>
Total	93,744
Less: Accumulated Depreciation	<u>(82,768)</u>
Net Property and Equipment	<u><u>\$ 10,976</u></u>

VOLUNTEER INSTRUCTORS TEACHING ADULTS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 4 ADVERTISING

The Organization uses advertising to promote its programs among the individuals it serves. The cost of this advertising is expensed as incurred. Advertising costs totaled \$6,637 for the year ended June 30, 2024.

NOTE 5 LEASES

The Organization leases office space under an operating lease through May 31, 2028. As the Organization's leases typically do not contain a readily determinable implicit rate, the Organization determines the present value of the lease liability using its incremental borrowing rate at the lease commencement date.

The following summarizes the line items in the balance sheet which include amounts for operating leases as of June 30, 2024:

Operating Lease Right-of-Use Assets	<u>\$ 243,532</u>
Current Portion of Obligations Under Operating Leases	\$ 57,999
Obligations Under Operating Leases, net of current maturities	<u>193,170</u>
Total operating lease liabilities	<u>\$ 251,169</u>

The components of operating lease expense that are included in the statement of activities for the year ended June 30, 2024 were as follows:

	General and Administrative	
Operating lease cost		\$ 68,871
Short-term lease cost		<u>1,300</u>
Total lease cost		<u>\$ 70,171</u>

The following summarizes the cash flow information related to operating leases for the year ended June 30, 2024:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows for operating leases	<u>\$ 69,240</u>

Weighted average lease term and discount rate as of June 30, 2024, were as follows:

Weighted average remaining lease terms	4 years
Weighted average discount rate	5.00%

VOLUNTEER INSTRUCTORS TEACHING ADULTS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 5 LEASES - continued

The maturities of operating lease liabilities as of June 30, 2024, were as follows:

2025	\$ 69,240
2026	69,498
2027	72,336
2028	66,308
Total lease payments	277,382
Less: interest	(26,213)
Present value of lease liability	<u>\$ 251,169</u>

NOTE 6 VOLUNTEER HOURS

The value of donated services from volunteer tutors is not recognized in the financial statements. Approximately 52 volunteer tutors donated 10,225 hours of time in tutoring 1,253 students, (852 in Lafayette, 60 in Acadia, 66 in St. Martin, 55 in Vermillion and 220 in St. Landry) in the various literacy programs in Lafayette and St. Landry.

Contributed services of volunteers are recognized in the statement of activities if the services received: a) create or enhance non-financial assets (land, building, etc.), b) require specialized skills, are provided by individuals possessing those skills, and would typically be purchased if not provided by donations. Because these donated services do not meet this criteria, they are not recorded as donated services income or expense in the financial statements.

NOTE 7 CONCENTRATION OF CREDIT RISK

The majority of VITA's revenues and accounts receivable are from grants awarded through the Louisiana Community and Technical College System (LCTCS). The contracts are administered by LCTCS under programs which are funded primarily by federal government grants. If federal funding levels for the programs are reduced, or if the contracts are not renewed, the impact on VITA could be severe.

NOTE 8 EMPLOYEE BENEFIT PLAN

VITA sponsors a Simple IRA retirement plan for its employees with an employer match up to 3% of the employees' contributions. For the fiscal year ended June 30, 2024, the employer match was \$8,382.

NOTE 9 FINANCIAL INSTRUMENTS

Financial instruments that potentially subject VITA to concentrations of credit risk consist principally of temporary cash investments. The Organization places its temporary cash investments with one high quality financial institution. On June 30, 2024, the Organization had cash balances within the Federal Deposit Insurance Corporation (FDIC) limits at this financial institution.

VOLUNTEER INSTRUCTORS TEACHING ADULTS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 9 FINANCIAL INSTRUMENTS - continued

The fair values of VITA's financial instruments are as follows:

Cash and short-term investments – The carrying amount approximates fair value because of the short maturities of those investments.

		Quoted Prices In Active Markets
	Fair Value	Markets For Identical Assets (Level 1)
Certificates of Deposit	\$ 723,473	\$ 723,473

Financial assets valued using level 1 inputs are based on unadjusted quoted market prices within active markets.

NOTE 10 NONCOMPLIANCE WITH GRANTOR RESTRICTIONS

Financial awards from federal, state, and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

NOTE 11 COMPENSATION, BENEFITS AND OTHER PAYMENTS TO EXECUTIVE DIRECTOR

A detail of compensation, benefits, and other payments paid to the Executive Director, April Porterfield, for the year ended June 30, 2024:

Purpose	Amount
Salary and Related Benefits	\$ 53,624
Benefits – Insurance	\$ 6,696
Benefits – Retirement	\$ 1,609

NOTE 12 LIQUIDITY AND AVAILABILITY

The Organization has \$219,026 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$163,691 and receivables of \$55,335. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date.

The Organization strives to maintain liquid financial assets sufficient to cover six months of general expenditures. Financial assets in excess of daily cash requirements are invested in certificates of deposit and money market funds. These assets are reported in the investments account on the Statement of Financial Position. The investments may be redeemed either at future specified redemption dates or currently by incurring a penalty.

VOLUNTEER INSTRUCTORS TEACHING ADULTS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 13 DONATED TUTOR SITES

The value of approximately thirty-four (34) free tutoring sites at libraries, recreation buildings, offices, schools, churches, etc. is not recognized in the financial statements. Because these donated sites do not meet the criteria as described in Note 6, they are not recorded in the financial statements. These sites provide vital, free services to VITA's tutoring programs in Lafayette and Opelousas.

NOTE 14 CLIENT SERVICES PROVIDED

For the year ended June 30, 2024, VITA provided 10,225 hours of tutoring and classroom hours to 1,253 students in the Lafayette and Opelousas areas. These clients are from diverse backgrounds with twelve different native languages.

NOTE 15 SUBSEQUENT EVENTS

Subsequent events were evaluated through December 2, 2024, which is the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

**INTERNAL CONTROL, COMPLIANCE
AND OTHER GRANT INFORMATION**



**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
Volunteers Instructors Teaching Adults, Inc.
Lafayette, 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 Volunteer Instructors Teaching Adults, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 2, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Volunteer Instructors Teaching Adults, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Volunteer Instructors Teaching Adults, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Volunteer Instructors Teaching Adults, Inc.'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Lafayette, Louisiana

December 2, 2024

VOLUNTEER INSTRUCTORS TEACHING ADULTS, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

We have audited the financial statements of VITA, as of and for the year ended June 30, 2024, and have issued our report thereon dated December 2, 2024. 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 audit of the financial statements as of June 30, 2024, resulted in an unmodified opinion.

Section I - Summary of Auditor's Reports

a. *Report on Internal Control and Compliance Material to the Financial Statements*

Internal Control

Significant Deficiencies	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Material Weaknesses	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Compliance

Noncompliance Material to Financial Statements	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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b. *Federal Awards*

N/A

Section II - Financial Statement Findings

There were no findings in the current year.

Section III - Federal Awards Findings and Questioned Costs

N/A

VOLUNTEER INSTRUCTORS TEACHING ADULTS, INC.

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2024**

There were no prior year findings.

VOLUNTEER INSTRUCTORS TEACHING ADULTS, INC.
Lafayette, Louisiana

Independent Accountant's Report
On Applying Agreed-Upon Procedures

Year Ended June 30, 2024



**DARNALL SIKES
& FREDERICK**

A CORPORATION OF CERTIFIED
PUBLIC ACCOUNTANTS



**DARNALL SIKES
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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2024

To the Board of Directors and Management of
Volunteer Instructors Teaching Adults, Inc.
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2023 through June 30, 2024. Volunteer Instructors Teaching Adults, Inc.'s management is responsible for those control and compliance areas identified in the SAUPs.

Volunteer Instructors Teaching America, Inc. 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 control and compliance areas identified in LLA's SAUPs for the fiscal period July 1, 2023 through June 30, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

Written policies and procedures were obtained and do address the functions noted above.

- ii. ***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.

Written policies and procedures were obtained and do address the functions noted above.

- iii. ***Disbursements***, including processing, reviewing, and approving.

Written policies and procedures were obtained and do address the functions noted above.

- iv. ***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).

Written policies and procedures were obtained and do address the functions noted above.

- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
Written policies and procedures were obtained and do address the functions noted above.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
Written policies and procedures were obtained and do address the functions noted above.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
Written policies and procedures were obtained and do address the functions noted above.
- viii. **Credit Cards (and debit cards, fuel cards, purchase 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).
Written policies and procedures were obtained and do address the functions noted above.
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
This section is not applicable for nonprofit organizations.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
This section is not applicable for nonprofit organizations.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
Written policies and procedures were obtained and do address the functions noted above.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
This section is not applicable for nonprofit organizations.

2) Board or Finance Committee

- A. 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
 - i. 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.

No exceptions noted.

- ii. 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. *Alternatively, for those entities reporting on the not-for-profit 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.*

This section is not applicable for nonprofit organizations.

- iii. 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.

This section is not applicable for nonprofit organizations.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Obtained the prior year audit report and fiscal year end board minutes and observed that findings were discussed and resolved.

3) Bank Reconciliations

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

Obtained listing of bank accounts from management and management's representation that the listing was complete.

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
No exceptions noted.
- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date of the reconciliation was prepared (e.g., initialed and dated, electronically logged); and
No exceptions noted.
- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions noted.

4) Collections (excluding electronic funds transfers)

- A. 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).

Obtained listing of deposit sites and management's representation that the listing was complete.

- B. 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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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

Obtained listing of collection locations from management and management's representation that the listing was complete.

- i. Employees responsible for cash collections do not share cash drawers/registers;

No exceptions noted.

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

No exceptions noted.

- iii. Each employee responsible for collecting cash is not also 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; and

No exceptions noted.

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

No exceptions noted.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

The person responsible for collecting cash was bonded.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, 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:

- i. Observe that receipts are sequentially pre-numbered.

No exceptions noted.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions noted.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions noted.

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

No exceptions noted.

- v. Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted.

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

- A. 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).

Obtained listing of locations that process payments and management's representation that the listing was complete.

- B. For each location selected under procedure #5A 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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

No exceptions noted.

- ii. At least two employees are involved in processing and approving payments to vendors;

No exceptions noted.

- iii. 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;

No exceptions noted.

- iv. 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; and

No exceptions noted.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exceptions noted.

- C. For each location selected under procedure #5A 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
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
No exceptions noted.
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
No exceptions noted.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.
No exceptions noted.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.
Obtained listing of active credit cards, bank debit cards, fuel cards, and P-cards, including the card numbers and the names of the persons who maintained possession of the cards, and management's representation that the listing was complete.
- B. 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
- i. 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 (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
No exceptions noted.
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
No exceptions noted.

- C. Using the monthly statements or combined statements selected under procedure #7B 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 (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

No exceptions noted.

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

- A. 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 and 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:

Obtained listing of travel and travel-related expense reimbursements and management’s representation that the listing was complete.

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

No exceptions noted

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

No exceptions noted.

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

No exceptions noted.

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

No exceptions noted.

8) Contracts

- A. 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. *Alternatively, 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

Obtained listing of all contracts in effect and management's representation that the listing was complete.

- i. 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;

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

9) Payroll and Personnel

- A. 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.

Obtained listing of employees and management's representation that the listing was complete.
Authorized salaries/pay rates traced to personnel files without exception.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

No exceptions noted.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

No exceptions noted.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

No exceptions noted.

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

No exceptions noted.

- C. 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 and 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's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

No exceptions noted.

- D. 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.

No exceptions noted.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

This section is not applicable for nonprofit organizations.

- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

This section is not applicable for nonprofit organizations.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

This section is not applicable for nonprofit organizations.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

This section is not applicable for nonprofit organizations.

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

This section is not applicable for nonprofit organizations.

12) Fraud Notice

- A. 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 as required by R.S. 24:523.

No misappropriations of public funds or assets noted.

- B. 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.

No exceptions noted.

13) Information Technology Disaster Recovery/Business Continuity

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

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

- iii. 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.

We performed the procedure and discussed the results with management.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedures #9a, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:12670:25. The requirements are as follows:

- Hired before June 9, 2020 – completed the training; and

- Hired on or after June 9, 2020 – completed the training withing 30 days of initial service or employment.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Per review of grant documents, the entity is not subject to the sexual harassment law, R.S. 42:342-344.

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

Per review of grant documents, the entity is not subject to the sexual harassment law, R.S. 42:342-344.

- C. 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 that the report includes the applicable requirements of R.S. 42:344:

Per review of grant documents, the entity is not subject to the sexual harassment law, R.S. 42:342-344.

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

We were engaged by Volunteer Instructors Teaching Adults, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

This report is intended solely to describe the scope of testing performed on those control and compliance 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.

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Lafayette, Louisiana

December 2, 2024