

**INSTITUTE OF WOMEN AND ETHNIC STUDIES**

**FINANCIAL AND COMPLIANCE AUDIT  
TOGETHER WITH  
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
**Institute of Women and Ethnic Studies**  
New Orleans, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the **Institute of Women & Ethnic Studies (IWES)** (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### **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 includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

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

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Board of Directors  
**Institute of Women and Ethnic Studies**  
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**Auditors' Responsibility, Continued**

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IWES as of December 31, 2018, 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.

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Board of Directors  
**Institute of Women and Ethnic Studies**  
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**Other Matters**

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the accompanying Schedule of Compensation, Benefits and Other Payments to Chief Executive Officer are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Board of Directors  
**Institute of Women and Ethnic Studies**  
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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2019, on our consideration of IWES' 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 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 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 IWES' internal control over financial reporting and compliance.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

June 21, 2019

**INSTITUTE OF WOMEN AND ETHNIC STUDIES**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2018**

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**ASSETS**

Cash (NOTES 2 and 4)	\$ 415,888
Restricted cash (NOTE 12)	147,691
Investments (NOTES 13 and 14)	1,143,295
Federal grants receivable (NOTE 5)	146,128
Unconditional promises to give (NOTE 6)	400,000
Prepaid expenses	23,539
Other assets	11,954
Furniture and equipment (NOTE 7)	<u>16,436</u>
 Total assets	 <u>\$2,304,931</u>

**LIABILITIES AND NET ASSETS**

Liabilities:	
Accounts payable and accrued expenses	\$ 44,870
Accrued annual leave payable (NOTE 8)	73,083
Funds held on behalf of others (NOTE 12)	<u>147,691</u>
 Total liabilities	 <u>265,644</u>
 Net Assets:	
Without donor restrictions (NOTE 2)	514,377
With donor restrictions (NOTES 2 and 9)	<u>1,524,910</u>
 Total net assets	 <u>2,039,287</u>
 Total liabilities and net assets	 <u>\$2,304,931</u>

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

**INSTITUTE OF WOMEN AND ETHNIC STUDIES**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUES</b>			
Federal grants (NOTES 2 and 11)	\$1,917,322	\$ -0-	\$ 1,917,322
Private grants (NOTES 2 and 11)	105,000	-0-	105,000
Contributions (NOTE 2)	6,082	-0-	6,082
Contract income	9,650	-0-	9,650
Other income	61,435	-0-	61,435
Net assets released from restrictions:			
Satisfaction of program restrictions (NOTE 10)	<u>1,658,704</u>	<u>(1,658,704)</u>	<u>-0-</u>
Total revenues	<u>3,758,193</u>	<u>(1,658,704)</u>	<u>2,099,489</u>
<b>EXPENSES</b>			
Program services	3,094,302	-0-	3,094,302
Supporting services:			
Fundraising	190,475	-0-	190,475
Management and general	<u>277,351</u>	<u>-0-</u>	<u>277,351</u>
Total expenses	<u>3,562,128</u>	<u>-0-</u>	<u>3,562,128</u>
Change in net assets	196,065	(1,658,704)	(1,462,639)
Net assets, beginning of year	<u>318,312</u>	<u>3,183,614</u>	<u>3,501,926</u>
Net assets, end of year	<u>\$ 514,377</u>	<u>\$ 1,524,910</u>	<u>\$ 2,039,287</u>

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

**INSTITUTE OF WOMEN AND ETHNIC STUDIES**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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	Program <u>Services</u>	<u>SUPPORTING SERVICES</u>		<u>Total</u>
		<u>Fundraising</u>	<u>Management and General</u>	
Salaries and wages	\$1,779,163	\$134,472	\$155,160	\$2,068,795
Fringe benefits	353,182	26,694	30,801	410,677
Program events and meetings	4,904	-0-	-0-	4,904
Occupancy	101,859	7,699	8,883	118,441
Supplies	102,763	7,771	8,967	119,501
Printing and reproduction	3,451	240	-0-	3,691
Insurance	-0-	-0-	17,913	17,913
Membership dues	-0-	-0-	218	218
Staff travel and conferences	119,580	9,038	10,429	139,047
Purchased services	13,156	994	1,147	15,297
Telephone and internet	47,198	3,567	4,116	54,881
Stipends and incentives	5,650	-0-	-0-	5,650
Contractual services	563,396	-0-	7,326	570,722
Auditing fees	-0-	-0-	31,217	31,217
Depreciation	<u>-0-</u>	<u>-0-</u>	<u>1,174</u>	<u>1,174</u>
Total expenses	<u>\$3,094,302</u>	<u>\$190,475</u>	<u>\$277,351</u>	<u>\$3,562,128</u>

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

**INSTITUTE OF WOMEN AND ETHNIC STUDIES**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets	\$ (1,462,639)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	1,174
Decrease in contracts receivable	30,138
Increase in grants receivable	(17,394)
Decrease in unconditional promises to give	672,000
Increase in prepaid expenses	(22,104)
Decrease in other assets	250
Decrease in accounts payable and accrued expenses	(1,493)
Increase in accrued annual leave payable	21,780
Increase in funds held for others	<u>114,229</u>
Net cash used in operating activities	<u>(664,059)</u>

**CASHFLOWS FROM INVESTING ACTIVITIES:**

Purchase of equipment	(17,610)
Purchase of investments	<u>(689,554)</u>
Net cash used in investing activities	<u>(707,164)</u>
Net decrease in cash and restricted cash	(1,371,223)
Cash and restricted cash at beginning of year	<u>1,934,802</u>
Cash and restricted cash at end of year	\$ <u>563,579</u>

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

**INSTITUTE OF WOMEN AND ETHNIC STUDIES**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1 - NATURE OF OPERATIONS:**

Founded in 1993, **the Institute of Women and Ethnic Studies (IWES)** is a national, non-for-profit 501(c)(3) health organization that creates initiatives to promote healing among communities, especially those facing adversity. The mission of **IWES** is to improve the mental, physical and spiritual health and quality of life for women, their families and communities of color, particularly among marginalized populations using community-driven research, programs, training and advocacy.

**IWES** helps to build emotional and physical well-being, resilience and capacity, using a Social Ecological Model (SEM) as its theoretical framework, which is an in-depth multidimensional approach that recognizes that individual behavior is shaped by multiple levels of influence including, interpersonal, community and societal context.

Through this approach, **IWES** creates culturally proficient programs, activities and research to address and advocate for women of color, their families and communities to heal and create sustainable change.

**IWES** works in the following issue areas:

- **Resilience** - community-level, non-clinical approaches to equitable recovery, healing and resilience of vulnerable populations through community-wide healing events, documenting stories of struggle and survival, collaborations to develop trauma-informed approaches and community-driven, participatory research.
- **Emotional/Physical Well-Being** - engaging community members in activities and events focused on addressing emotional well-being, overall physical and psychological health.

**INSTITUTE OF WOMEN AND ETHNIC STUDIES**  
**NOTES TO THE FINANCIAL STATEMENTS**

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NOTE 1 - NATURE OF OPERATIONS, CONTINUED:

- **Youth Development** - providing opportunities for youth to develop and enhance leadership, advocacy, technical and job training skills, through trauma-informed approaches.
- **Sexual Health** - providing comprehensive sexual health education, HIV and teen pregnancy prevention education, advocacy and outreach using social media, peer and community engagement.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The financial statements of **IWES** are prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Basis of Reporting

Effective January 1, 2018, **IWES** has implemented the guidance under Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 158). In accordance with the provisions of FASB Accounting Standards Codification (FASB ASC) 958, *Not-for-Profit Entities*, which establishes standards for external financial reporting by not-for-profit organizations, **IWES** classifies resources for accounting and reporting purposes into two net asset categories which are net assets without donor restrictions and net assets with donor restrictions.

**INSTITUTE OF WOMEN AND ETHNIC STUDIES**  
**NOTES TO THE FINANCIAL STATEMENTS**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

A description of the two net asset categories is as follows:

- o Net assets without donor restrictions include funds not subject to donor-imposed stipulations. The revenues earned and expenses incurred in conducting the mission of IWES are included in this category.
- o Net assets with donor restrictions include realized gains and losses, investment income, and grants and contributions for which donor-imposed restrictions have not been met and contributions which are required by the donor-imposed restriction to be invested in perpetuity and only the income be made available for program operations in accordance with the donor restrictions.

Property and Equipment

Property and equipment are recorded at cost, if purchased, or at fair market value at the date of the gift, if donated. Additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation is provided using the straight-line method over estimated useful lives ranging from three (3) to seven (7) years.

Revenue Recognition

Contract revenues and grant revenues from federal, state and private grants structured as exchange transactions are recognized when earned.

**INSTITUTE OF WOMEN AND ETHNIC STUDIES**  
**NOTES TO THE FINANCIAL STATEMENTS**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Revenue Recognition, Continued

Contributions are recognized upon receipt or when a donor makes a promise to give that is, in substance, unconditional. Grants (if considered nonexchange transactions) are classified as contributions and when received or substantially unconditionally promised are recorded as without donor restriction or with donor restriction support, depending on the existence and/or nature of any restrictions.

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

Deferred revenues arise when resources are received by IWES before it has a legal claim to them. In subsequent periods, when IWES has legal claim to the resources, current period revenue is recognized and deferred revenue is reduced.

Investments

In accordance with Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-320, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position.

**INSTITUTE OF WOMEN AND ETHNIC STUDIES**  
**NOTES TO THE FINANCIAL STATEMENTS**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Functional Allocation of Expenses

The costs of providing **IWES'** various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among programs and supporting services benefitted based on time and effort, square footage utilized and full-time equivalents, as applicable.

Advertising

**IWES** expenses advertising costs as incurred. Advertising costs were \$7,965 for the year ended December 31, 2018 and are included in Purchased Services on the statement of functional expenses.

Statement of Cash Flows

For purposes of the statement of cash flows, **IWES** considers all highly liquid investments with original maturities of three months or less that are not restricted for specific purposes to be cash equivalents. At December 31, 2018, **IWES** had no cash equivalents.

Income Taxes

**IWES** is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. Therefore, no provision for income taxes is made in the accompanying financial statements. Should **IWES'** tax-exempt status be challenged in the future, **IWES'** 2016, 2017 and 2018 tax years are open for examination by the Internal Revenue Service.

**INSTITUTE OF WOMEN AND ETHNIC STUDIES**  
**NOTES TO THE FINANCIAL STATEMENTS**

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NOTE 3 - ECONOMIC DEPENDENCY:

In 2018, approximately 63% of IWES' revenue was derived from a direct, multi-year federal award from the U.S. Department of Health and Human Services. IWES' ability to continue as a going concern is dependent upon the renewal of grants and contributions from current funding sources as well as obtaining new funding.

NOTE 4 - CONCENTRATION OF CREDIT RISK:

IWES maintains noninterest-bearing and low-interest-bearing accounts at four financial institutions. The Federal Deposit Insurance Corporation provides up to \$250,000 of deposit insurance coverage per depositor per financial institution. At December 31, 2018, IWES' had \$109,716 of unsecured deposits.

NOTE 5 - FEDERAL GRANTS RECEIVABLE:

At December 31, 2018, federal grants receivable consist of the following:

U.S. Department of Health and Human Services:	
Office of Adolescent Health	\$ 99,667
Centers for Disease Control and Prevention	<u>46,461</u>
	<u>\$146,128</u>

**INSTITUTE OF WOMEN AND ETHNIC STUDIES**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 6 - UNCONDITIONAL PROMISES TO GIVE:**

At December 31, 2018, IWES' unconditional promises to give are as follows:

W.K. Kellogg Foundation	<u>\$400,000</u>
	<u>\$400,000</u>

Unconditional promises to give are expected to be collected as follows:

Receivable in less than one (1) year	\$400,000
Receivable in one (1) to three (3) years	<u>-0-</u>
	<u>\$400,000</u>

**NOTE 7 - FURNITURE AND EQUIPMENT:**

At December 31, 2018 furniture and equipment and related depreciation consist of the following:

Furniture and equipment	<u>\$17,610</u>
	17,610
Less accumulated depreciation	<u>(1,174)</u>
Total	<u>\$16,436</u>

**INSTITUTE OF WOMEN AND ETHNIC STUDIES**  
**NOTES TO THE FINANCIAL STATEMENTS**

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NOTE 8 - ACCRUED ANNUAL LEAVE PAYABLE:

IWES records annual leave earned but not used by employees in the period in which the leave is earned. At December 31, 2018, accrued leave totaled approximately \$73,083 and represented 1,559 hours of unused vacation time.

NOTE 9 - DONOR RESTRICTED NET ASSETS:

As of December 31, 2018, donor restricted net assets are available for the following programs:

David and Lucille Packard Foundation:	
Creating a Future Together	\$ 76,986
NOW LOVE	5,796
Global Early Adolescent Study	906,895
W.K. Kellogg Foundation:	
Wellness Evaluation Community Action Network	492,117
Compassionate and Restorative Engagement	21,228
Annie E. Casey Foundation:	
Family Centered Community Change	11,643
The Grove Foundation:	
Working to Institutionalize Sex Education	<u>10,245</u>
	<u>\$1,524,910</u>

**INSTITUTE OF WOMEN AND ETHNIC STUDIES**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 10 - NET ASSETS RELEASED FROM RESTRICTIONS:**

Net assets were released from donor restrictions during the year ended December 31, 2018 by incurring expenses satisfying purpose restrictions as follows:

David and Lucille Packard Foundation:	
Creating a Future Together	\$ 372,162
NOW LOVE	23,587
Talent Management and Leadership Development	19,756
Global Early Adolescent Study	393,105
Annie E. Casey Foundation	
Family Centered Community Change	50,357
Greater New Orleans Foundation	
Believe in Youth-LA Monthly Workshop	30,000
Baptist Community Ministries	
Youth and Adolescent Care Coordination	30,000
W.K. Kellogg Foundation	
Collective for Healthy Community	42,176
Compassionate and Restoration Engagement	78,095
Wellness Evaluation Community Action Network	516,142
Creating Our Own Lens	63,821
The Grove Foundation:	
Working to Institutionalize Sex Education	<u>39,503</u>
	<u>\$1,658,704</u>

**INSTITUTE OF WOMEN AND ETHNIC STUDIES**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 11 - GRANT REVENUE:**

Grant revenue consisted of the following sources for the year ended December 31, 2018:

Federal Grants

U.S. Department of Health and Human  
Services:

Office of Adolescent Health	\$1,325,760
Centers for Disease Control	347,122
Substance Abuse and Mental Health	175,000

U.S. Department of Justice:

Office for Victims of Crime	
Passed through: New Orleans Family Justice Center	<u>69,440</u>

Total federal grants	<u>\$1,917,322</u>
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Private Grants

Baptist Community Ministries	\$ 12,000
Rockefeller Philanthropy Advisors	15,000
Annie E. Casey Foundation	18,000
The Grove Foundation	<u>60,000</u>

Total private grants	<u>\$105,000</u>
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**INSTITUTE OF WOMEN AND ETHNIC STUDIES**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 12 - RESTRICTED CASH AND FUNDS HELD FOR OTHERS:**

During 2018, IWES received grant funds on behalf of others in an agency transaction. As required by FASB ASC 958-605, cash received from the donor was recognized as a liability to the beneficiaries. At December 31, 2018, these funds are reported in the statement of financial position as both Restricted Cash and Funds Held for Others in the amount of the unexpended balance of \$147,691.

**NOTE 13 - INVESTMENTS:**

At December 31, 2018, IWES' investments consist of money market funds with fair value of \$240,463 and four (4) certificate of deposit with a cost basis of \$900,000 and a fair value of \$902,832. Investments are presented on the financial statements at fair value. Carrying value is estimated to approximate fair value.

**NOTE 14 - FAIR VALUE MEASUREMENTS:**

Fair value of assets measured on a recurring basis at December 31, 2018 are as follows:

**FAIR VALUE MEASUREMENTS  
AT REPORTING DATE USING**

	<u>Fair Value</u>	<u>Level I Inputs</u>
Certificates of deposit	\$ 902,832	\$ 902,832
Money market funds	<u>240,463</u>	<u>240,463</u>
	<u>\$1,143,295</u>	<u>\$1,143,295</u>

Fair values for short-term and long-term investments are determined by quoted market prices and other relevant information generated by market transactions.

**INSTITUTE OF WOMEN AND ETHNIC STUDIES**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 15 - RETIREMENT PLAN:**

**IWES** offers a 401(k) plan to all eligible employees. Full-time employees are eligible to participate in the elective deferral plan after 90 days of service. The plan is funded solely by employee contributions.

**NOTE 16 - OPERATING LEASE:**

**IWES** occupies office space under two (2) non-cancellable operating leases terminating on November 30, 2019 and December 31, 2020, respectively. The following is a schedule of future minimum lease payments under the above operating leases as of December 31, 2018:

<u>Year</u>	<u>Amount</u>
2019	\$100,758
2020	<u>35,724</u>
Total	<u>\$136,482</u>

Rent expense was \$106,171 for the year ended December 31, 2018.

**NOTE 17 - COMMITMENTS AND CONTINGENCIES:**

**IWES** has entered into contractual arrangements with certain individuals to provide operational assistance, tutorial, self-development and recreational assistance. Such contracts are generally for six (6) to twelve (12) month periods.

**IWES** is a recipient of grants from federal government funds. These grants are governed by various federal government guidelines, regulations and contractual agreements. Also, **IWES** is a recipient of grants from private foundations and non-profit organizations.

**INSTITUTE OF WOMEN AND ETHNIC STUDIES**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 17 - COMMITMENTS AND CONTINGENCIES, CONTINUED:**

The administration of the programs and activities funded by these grants is under the control and administration of **IWES** and is subject to audit and/or review by the applicable funding sources. Any grant or award funds found not to be properly spent in accordance with the terms, conditions and regulations of the funding sources may be subject to recapture.

**NOTE 18 - DATE OF MANAGEMENT'S REVIEW:**

**IWES** is required to evaluate events or transactions that may occur after the statement of financial position date for potential recognition or disclosure in the financial statements.' Management has performed such an evaluation through June 21, 2019, the date the financial statements were available to be issued, and noted no subsequent events or transactions that occurred after the statement of financial position date requiring recognition or disclosure.

**NOTE 19 - RECENT ACCOUNTING PRONOUNCEMENTS:**

In February 2016, the FASB issued ASU 2016-02, *Conforming Amendments Related to Leases*. This ASU amends the codification regarding leases in order to increase transparency and comparability. The ASU requires organizations to recognize lease assets and liabilities on the statement of financial position and disclose key information about leasing arrangements. A lessee would recognize a liability to make lease payments and a right-of-use asset representing its right to use the leased asset for the lease term. The ASU is effective for annual periods beginning after December 15, 2019. Early adoption is permitted. **IWES** is evaluating the impact of this Update on its financial statements.

INSTITUTE OF WOMEN AND ETHNIC STUDIES

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 17 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The following reflects IWES's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts that are available for use within one year for general purposes include cash, investments and accounts receivable.

Financial assets at year end	\$2,253,002
Less those unavailable for general expenditures within one year due to:	
Funds held on behalf of others	147,691
Annual leave payable	73,083
Donor-restricted net assets	<u>1,524,910</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>507,318</u>

**SUPPLEMENTARY INFORMATION**

**INSTITUTE OF WOMEN AND ETHNIC STUDIES**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

<u>Federal Grantor/Program Name</u>	<u>Federal CFDA/Grant Number</u>	<u>Federal Expenditures</u>
<b><u>U.S. Department of Health and Human Services</u></b>		
<i>Direct Awards</i>		
Office of Adolescent Health:		
Teen Pregnancy Prevention Program	93.297	\$1,325,760
Centers for Disease Control and Prevention:		
The HIV Prevention Projects for Community-Based Organizations	93.939	<u>347,122</u>
Total Direct Awards		<u>1,672,882</u>
<i>Awards from a Pass-Through Entity</i>		
Passed through Metropolitan Health Services District		
Training Screening, Brief Intervention and Referral to Treatment (T-SBIRT)	93.243	100,000
Psychiatric Education	93.243	<u>75,000</u>
Total Pass-Through Awards		<u>175,000</u>
<b>Total U.S. Department of Health and Human Services</b>		<u>1,847,882</u>
<b><u>U.S. Department of Justice (Office of Victims of Crime)</u></b>		
<i>Awards from a Pass-through Entity</i>		
Passed Through: New Orleans Family Justice Center		
A Pathway to Justice, Healing and Hope: Addressing Polyvictimization in a Family Justice Center	OVC-2016-9376	<u>69,440</u>
Total Pass-through Awards		<u>69,440</u>
<b>Total U.S. Department of Justice - Office of Victims of Crime</b>		<u>69,440</u>
Total Expenditures of Federal Awards		<u>\$1,917,322</u>

NOTE: The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of IWES under programs of the federal government for the year ended December 31, 2018 and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *the Uniform Guidance*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See the Independent Auditors' Report on Supplementary Information.

**INSTITUTE OF WOMEN & ETHNIC STUDIES  
SCHEDULE OF COMPENSATION, BENEFITS AND  
OTHER PAYMENTS TO CHIEF EXECUTIVE OFFICER  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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Chief Executive Officer Name: Dr. Denese Shervington, MD, MPH

<b><u>Purpose</u></b>	<b><u>Amount</u></b>
Salary	\$207,000
Benefits - insurance	7,245
Benefits - retirement	10,959
Benefits - office parking	2,786
Car allowance	-0-
Vehicle provided by government	-0-
Per diem	-0-
Reimbursements	2,345
Travel	-0-
Registration fees	-0-
Conference travel	21,810
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Special meals	-0-
	<u>\$252,145</u>

See the Independent Auditors' Report on Supplementary Information.

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

To the Board of Directors of  
**Institute of Women and Ethnic Studies**  
New Orleans, Louisiana

We have audited, 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, the financial statements of the **Institute of Women and Ethnic Studies (IWES)** (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements 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 June 21, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered **IWES'** internal control over financial reporting (internal control) to determine the 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 **IWES'** internal control. Accordingly, we do not express an opinion on the effectiveness of **IWES'** internal control.

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

**Internal Control over Financial Reporting, Continued**

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether IWES' 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

**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 IWES' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering IWES' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of IWES' management, the Board of Directors, the Louisiana Legislative Auditor, federal and state awarding agencies, and private contributors, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

June 21, 2019

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

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To the Board of Directors of  
**Institute of Women and Ethnic Studies**  
New Orleans, Louisiana

**Report on Compliance for Each Major Federal Program**

We have audited the **Institute of Women and Ethnic Studies' (IWES)** compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of **IWES'** major federal program for the year ended December 31, 2018. **IWES'** major federal program is identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

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

---

(CONTINUED)

**Auditors' Responsibility**

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

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

**Opinion on a Major Federal Program**

In our opinion, **IWES** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2018.

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

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(CONTINUED)

**Report on Internal Control over Compliance**

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

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

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

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(CONTINUED)

**Report on Internal Control Over Compliance, Continued**

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

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

This report is intended solely for the information and use of IWES' management, the Board of Directors, the Louisiana Legislative Auditor, federal and state awarding agencies, and private contributors, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

June 21, 2019

INSTITUTE OF WOMEN AND ETHNIC STUDIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

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**Section I - SUMMARY OF AUDITORS' RESULTS**

- A. The type of report issued on the financial statements: **Unmodified Opinion.**
- B. Significant deficiencies in internal control were disclosed by the audit of the financial statements: **None Reported.** Material weakness: **No.**
- C. Noncompliance which is material to the financial statements: **No.**
- D. Significant deficiencies in internal control over major programs: **None Reported.** Material weaknesses: **No.**
- E. The type of report issued on compliance for major programs: **Unmodified Opinion.**
- F. Any audit findings which are required to be reported under *the Uniform Guidance*: **No.**
- G. Major programs:
  - United States Department of Health and Human Services
  - Teen Pregnancy Prevention Program (TPPP)
  - (CFDA No. 93.297)
- H. Dollar threshold used to distinguish between Type A and Type B programs: **\$750,000.**
- I. Auditee qualified as a low-risk auditee under *the Uniform Guidance*: **Yes.**
- J. A management letter issued: **No.**

**INSTITUTE OF WOMEN AND ETHNIC STUDIES**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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**Section II - FINDINGS RELATING TO THE FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

None reported.

**Section III - FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS**

None reported.

**INSTITUTE OF WOMEN AND ETHNIC STUDIES**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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**Section I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

No matters reported.

**Section II - FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS**

No matters reported.

**Section III - MANAGEMENT LETTER**

No matters reported.

**INSTITUTE OF WOMEN AND ETHNIC STUDIES**

**EXIT CONFERENCE**

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The audit report was discussed at the conclusion of the audit. The individuals who participated in the discussion were as follows:

**INSTITUTE OF WOMEN AND ETHNIC STUDIES**

Dr. Denese Shervington, MD, MPH -- President & Chief Executive Officer  
Mrs. Keeanya E. Chenier, MPA -- Chief Administrative Officer

**BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS**

Mr. Alcide J. Tervalon, Jr., CPA -- Managing Partner  
Mr. Armand E. Pinkney -- Manager

**INSTITUTE OF WOMEN & ETHNIC STUDIES**

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

**FOR THE YEAR ENDED DECEMBER 31, 2018**



Member  
American Institute of  
Certified Public Accountants  
Society of Louisiana  
Certified Public Accountants

Alcide J. Tervalon, Jr., CPA  
Waldo J. Moret, Jr., CPA  
Paul K. Andoh, Sr., CPA  
Joseph A. Akanji, CPA

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

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To the Board of Directors of **Institute of Women & Ethnic Studies**  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by **Institute of Women & Ethnic Studies (IWES)** and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. **IWES'** management is responsible for those control and compliance areas identified in the SAUPs.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the 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.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

**PROCEDURES AND FINDINGS**

The procedures and associated findings are as follows:

**Written Policies and Procedures**

1. We obtained IWES' written policies and procedures to determine whether the written policies and procedures address each of the following financial/business functions, as applicable:

a) Budgeting, including preparing, adopting, monitoring, and amending the budget.

*No exceptions were noted.*

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

*No exceptions noted.*

c) Disbursements, including processing, reviewing, and approving.

*No exceptions were noted.*

d) Receipts, 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).

*No exceptions were noted.*

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

*No exceptions were noted.*

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

*No exceptions were noted.*

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

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

*No exceptions were noted.*

- g) Credit Cards, 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).

*No exceptions were noted.*

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

*No exceptions were noted.*

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

*This procedure is not applicable.*

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

*This procedure is not applicable.*

**Board or Finance Committee**

2. We obtained and inspected the Board/Finance Committee minutes for the fiscal period, as well as the Board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observed 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 were noted.*

**INDEPENDENT ACCOUNTANTS' REPORT**  
**ON**  
**APPLYING STATEWIDE AGREED-UPON PROCEDURES**  
**(CONTINUED)**

- b) For those entities reporting on the not-profit accounting model, observe that the Board/Finance Committee minutes referenced or included financial activity related to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

*No exceptions were noted.*

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted 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 unrestricted fund balance in the general fund.

*This procedure is not applicable.*

**Bank Reconciliations**

3. We obtained a listing of client bank accounts from management and management's representation that the listing is complete. We asked management to identify the entity's main operating account. We selected the entity's main operating account and the other 3 bank accounts. We randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for each selected account and observed that:

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

*Of IWES' four (4) bank accounts reviewed, two (2) accounts were not reconciled within 60 days.*

**Management's Response**

IWES will ensure all bank accounts are reconciled within 2 months of the related statement closing date.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

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

*For the four (4) accounts reviewed, we noted that a member of management initialed but did not indicate the date each bank reconciliation were reviewed.*

**Management's Response**

**All reconciled accounts will be reviewed within two months and each individual reconciliation report will be dated indicating the date of review.**

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

*No exceptions were noted.*

**Cash Collections**

4. We obtained 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. IWES has only one deposit site.

*No exceptions were noted.*

5. For the IWES deposit site, we obtained a listing of collection locations and management's representation that the listing is complete. IWES has only one collection location. We obtained and inspected written policies and procedures relating to employee job duties at each collection location and observed that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

*No exceptions were noted.*

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

*No exceptions were noted.*

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

*No exceptions were noted.*

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

*No exceptions were noted.*

- 6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

*No exceptions were noted.*

- 7. Randomly selected two deposit dates for each of the 4 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day) . Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 8 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

*No exceptions were noted.*

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

*No exceptions were noted.*

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

*No exceptions were noted.*

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

- d) 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).

*We noted that cash collected from our test sample were not deposited timely. IWES' policy states all checks must be deposited as soon as possible after receipt, and IWES' practice is to make deposits weekly. As a compensating control, cash receipts are held in a locked safe until deposited.*

**Management's Response**

Management will ensure that deposits are made timely within ten (10) business day of receipt.

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

*No exceptions were noted.*

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

*Steps 8, 9 and 10 were not performed in Year 2 as IWES only had 1 exception for this AUP category in Year 1 as the Chief Administrative Officer is not prohibited from adding vendors, however we believe that the compensating control that she cannot authorize disbursements (i.e., sign checks) fully mitigates the underlying control risk.*

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

*Steps 11, 12, and 13 were not performed for Year 2 as no exceptions were noted in Year 1 for this AUP category.*

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

*Step 14 was not performed for Year 2 as no exceptions were noted in Year 1 for this AUP category.*

INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)

Contracts

*Step 15 was not performed for Year 2 as no exceptions were noted in Year 1 for this AUP category.*

Payroll and Personnel

*Steps 16, 17, 18 and 19 were not performed in Year 2 as IWES only had 1 exception for this AUP category in Year 1 as a temporary intern's contract had expired, however we believe that the compensating controls over this process fully mitigate the underlying control risk.*

Ethics

*Step 20 was not performed as this procedure is not applicable to non-profits.*

Debt Service

*Steps 21 and 22 were not performed as these procedures are not applicable to non-profits.*

Other

*Steps 23 and 24 were not performed for Year 2 as no exceptions were noted in Year 1 for this AUP category.*

**INDEPENDENT ACCOUNTANTS' REPORT**  
**ON**  
**APPLYING STATEWIDE AGREED-UPON PROCEDURES**  
**(CONTINUED)**

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We were not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those 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.

The purpose of this report is 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 Legislative Auditor as a public document.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

June 21, 2019