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**AGENDA FOR CHILDREN, INC.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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## TABLE OF CONTENTS

	<u>Page</u>
<u>INDEPENDENT AUDITORS' REPORT</u>	1 - 3
<u>CONSOLIDATED FINANCIAL STATEMENTS</u>	
Consolidated Statements of Financial Position	4
Consolidated Statements of Activities	5
Consolidated Statements of Functional Expenses	6
Consolidated Statements of Cash Flows	7
<u>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS</u>	8 - 15
<u>SUPPLEMENTAL INFORMATION</u>	
Schedule of Compensation, Benefits, and Other Payments to Agency Head	16
<u>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</u>	17 - 18
<u>INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE</u>	19 - 21
<u>SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</u>	22
<u>NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</u>	23
<u>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</u>	24 - 25
<u>SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS</u>	26



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Agenda for Children, Inc.

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated financial statements of Agenda for Children, Inc. (a nonprofit organization) (the Organization), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Agenda for Children, Inc. as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audits 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 Auditors' Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Agenda for Children, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditors' Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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, including omissions, 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 consolidated 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 consolidated 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 consolidated 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 Agenda for Children, Inc.'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Agenda for Children, Inc.'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.

### **Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Schedule of Compensation, Benefits, and Other Payments to Agency Head on page 16 and the accompanying schedule of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the



consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information on page 16 and the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2022, on our consideration of the Organization'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 the Organization'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 the Organization's internal control over financial reporting and compliance.

*Postlethwaite & Netterville*

Metairie, Louisiana  
December 20, 2022

**AGENDA FOR CHILDREN, INC.**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2022 AND 2021**

**ASSETS**

	<u>2022</u>	<u>2021</u>
<b><u>ASSETS</u></b>		
Current assets		
Cash	\$ 7,274,852	\$ 4,528,562
Grants receivable	1,362,052	1,008,710
Contract receivable	957,548	-
Other receivables	22,116	1,050
Prepaid expenses	407,100	12,509
	<hr/>	<hr/>
Total current assets	10,023,668	5,550,831
Deposits	10,700	10,700
Due from employees	20,131	27,582
Property and equipment, net	1,285	3,489
	<hr/>	<hr/>
Total assets	<u>\$ 10,055,784</u>	<u>\$ 5,592,602</u>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Current liabilities		
Accounts payable and accrued expenses	\$ 785,441	\$ 367,874
Refundable advances	3,350,000	1,500,000
Paycheck Protection Program loan	-	495,080
	<hr/>	<hr/>
Total current liabilities	4,135,441	2,362,954

**NET ASSETS**

Without donor restrictions	5,325,343	2,380,125
With donor restrictions	595,000	849,523
	<hr/>	<hr/>
Total net assets	5,920,343	3,229,648
	<hr/>	<hr/>
Total liabilities and net assets	<u>\$ 10,055,784</u>	<u>\$ 5,592,602</u>

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

**AGENDA FOR CHILDREN, INC.**

**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<b>2022</b>			<b>2021</b>		
	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
<b><u>REVENUES AND OTHER SUPPORT</u></b>						
Federal grants	\$ 8,753,437	\$ -	\$ 8,753,437	\$ 2,457,638	\$ -	\$ 2,457,638
Non-federal grants and contributions	2,110,075	4,040,000	6,150,075	874,760	3,539,667	4,414,427
Contract revenue	4,062,942	-	4,062,942	1,240,818	-	1,240,818
Interest income	-	-	-	7,662	-	7,662
Paycheck Protection Program income	495,080	-	495,080	538,874	-	538,874
Other	41,639	-	41,639	112,153	-	112,153
Net assets released from restrictions	4,294,523	(4,294,523)	-	3,052,978	(3,052,978)	-
	<u>19,757,696</u>	<u>(254,523)</u>	<u>19,503,173</u>	<u>8,284,883</u>	<u>486,689</u>	<u>8,771,572</u>
<b><u>EXPENSES</u></b>						
Program services:						
Early childhood programs	15,238,568	-	15,238,568	6,847,295	-	6,847,295
Communication and policy	124,886	-	124,886	144,467	-	144,467
Support services:						
Management and general	1,425,841	-	1,425,841	608,838	-	608,838
Fundraising	23,183	-	23,183	26,890	-	26,890
	<u>16,812,478</u>	<u>-</u>	<u>16,812,478</u>	<u>7,627,490</u>	<u>-</u>	<u>7,627,490</u>
Change in net assets	2,945,218	(254,523)	2,690,695	657,393	486,689	1,144,082
<b><u>NET ASSETS AT BEGINNING OF YEAR</u></b>	<u>2,380,125</u>	<u>849,523</u>	<u>3,229,648</u>	<u>1,722,732</u>	<u>362,834</u>	<u>2,085,566</u>
<b><u>NET ASSETS AT END OF YEAR</u></b>	<u>\$ 5,325,343</u>	<u>\$ 595,000</u>	<u>\$ 5,920,343</u>	<u>\$ 2,380,125</u>	<u>\$ 849,523</u>	<u>\$ 3,229,648</u>

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



**AGENDA FOR CHILDREN, INC.**

**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<b>2022</b>				
	<b>Program Services</b>		<b>Support Services</b>		
	<b>Early Childhood Programs</b>	<b>Communication and Policy</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total Expenses</b>
Personnel costs	\$ 1,807,836	\$ 115,085	\$ 569,092	\$ 23,183	\$ 2,515,196
Travel and meetings	13,074	713	35,175	-	48,962
Occupancy	43,882	-	128,626	-	172,508
Advertising and promotion	34,600	7,529	13,037	-	55,166
Contract services	1,442,769	-	329,604	-	1,772,373
Information technology	97,111	1,488	125,331	-	223,930
Direct program expenses	11,782,703	-	27,428	-	11,810,131
Office	10,277	71	44,129	-	54,477
Other	6,316	-	153,419	-	159,735
	<u>\$ 15,238,568</u>	<u>\$ 124,886</u>	<u>\$ 1,425,841</u>	<u>\$ 23,183</u>	<u>\$ 16,812,478</u>
	<b>2021</b>				
	<b>Program Services</b>		<b>Support Services</b>		
	<b>Early Childhood Programs</b>	<b>Communication and Policy</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total Expenses</b>
Personnel costs	\$ 1,852,773	\$ 132,289	\$ 312,137	\$ 22,890	\$ 2,320,089
Travel and meetings	1,794	509	213	-	2,516
Occupancy	48,190	-	131,193	-	179,383
Advertising and promotion	1,018	4,097	1,156	-	6,271
Contract services	724,083	6,086	34,542	4,000	768,711
Information technology	43,601	529	48,379	-	92,509
Direct program expenses	4,064,293	-	256	-	4,064,549
Office	10,628	-	61,671	-	72,299
Other	100,915	957	19,291	-	121,163
	<u>\$ 6,847,295</u>	<u>\$ 144,467</u>	<u>\$ 608,838</u>	<u>\$ 26,890</u>	<u>\$ 7,627,490</u>

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

**AGENDA FOR CHILDREN, INC.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b><u>OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ 2,690,695	\$ 1,144,082
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	2,204	2,203
Forgiveness of debt	(495,080)	(538,874)
Changes in operating assets and liabilities:		
Grants receivable	(353,342)	(258,636)
Contract receivable	(957,548)	-
Accounts receivable	(21,066)	148,584
Prepaid expenses	(394,591)	112,700
Due from employees	7,451	7,011
Accounts payable and accrued expenses	417,567	203,107
Refundable advances	1,850,000	1,500,000
Net cash provided by operating activities	<u>2,746,290</u>	<u>2,320,177</u>
<b><u>FINANCING ACTIVITIES</u></b>		
Paycheck Protection Program proceeds	-	495,080
Net cash provided by financing activities	<u>-</u>	<u>495,080</u>
Net change in cash	2,746,290	2,815,257
Cash, beginning of year	<u>4,528,562</u>	<u>1,713,305</u>
Cash, end of year	<u>\$ 7,274,852</u>	<u>\$ 4,528,562</u>

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

## AGENDA FOR CHILDREN, INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### **1. Summary of Significant Accounting Policies**

##### Organization

Agenda for Children, Inc. (AFC) is a non-profit corporation organized to provide an informed, consistent and intentional voice on behalf of Louisiana's children. Agenda for Children, Inc. helps families find and choose child care and offers training and technical assistance for child care providers in the southeastern Louisiana area.

New Orleans Early Education Network (NOEEN) is a non-profit corporation organized on June 22, 2017 to have a collective impact on the early childhood sector in New Orleans by increasing at-risk children's access to quality early care and education and by designing and implementing a systematic approach to improve the quality of all publicly funded early learning programs. AFC has the power to direct the activities of NOEEN and has fiscal control over the assets of NOEEN through a fiscal sponsorship agreement. NOEEN had limited activity related to grant funding for the years ended June 30, 2022 and 2021, respectively.

Agenda for Children's programs work on behalf of Louisiana's children and families is in pursuit of three primary goals: (1) Access: Increase access to high quality early learning opportunities for children and families in need, (2) Quality: Improve the quality of opportunities for children and the adults who care for them and (3) Resources: Connect people to resources to help their efforts to help children thrive. Program services consists of learning programs and communication and policy services.

Outdoor Learning Enhancement Opportunity (OLEO) is a fully funded state-wide initiative that encourages healthy living and learning through outdoor play and physical activity. Agenda welcomed its Type III Child Care Centers in Regions 1, 3, and 4 to participate in coaching cycles that include training and materials, and enable centers to create high quality and age appropriate outdoor learning environments at no additional cost to the centers.

##### Consolidated Financial Statements

The accompanying consolidated financial statements include the accounts of AFC and NOEEN (collectively, the Organization). All significant intercompany transactions have been eliminated in consolidation.

##### Basis of Accounting and Presentation of Net Assets

The consolidated financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

*Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors.

*Net assets with donor restrictions:* Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

## AGENDA FOR CHILDREN, INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### **1. Summary of Significant Accounting Policies (continued)**

##### Basis of Accounting and Presentation of Net Assets (continued)

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities.

##### Recently Adopted Accounting Standard

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. The Organization adopted this ASU for the year ending June 30, 2022 with no impact on the presentation or disclosure.

##### Accounting Pronouncements Issued but Not Yet Adopted

In February 2016, the FASB issued ASU 2016-02, *Leases*. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the balance sheet as well as additional disclosures. In July 2018, the FASB issued ASU 2018-11, *Leases (Topic 842), Targeted Improvements*, to simplify the lease standard's implementation. On June 3, 2020, the FASB deferred the effective date of this standard for certain entities. This standard will be effective for the Organization's fiscal year ending June 30, 2023. The Organization is currently assessing the impact of this pronouncement on its consolidated financial statements.

##### Use of Estimates

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

##### Cash and Cash Equivalents

Cash includes amounts on deposit at financial institutions. The Organization considers all highly liquid investments available for current use with initial maturity of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash equivalents. The Organization held no cash equivalents at June 30, 2022 and 2021.

##### Receivables

Receivables consisting of grants and accounts receivable are stated at the amount management expects to collect from outstanding balances. The Organization determines the allowance for uncollectable receivables based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Receivables are written off when deemed uncollectable. As of June 30, 2022 and 2021, management did not deem any receivables to be uncollectable; therefore, no allowance was recorded.

## AGENDA FOR CHILDREN, INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### **1. Summary of Significant Accounting Policies (continued)**

##### Property and Equipment

The Organization records property and equipment at cost or, if donated, at fair value on the date of donation. The Organization capitalizes property and equipment in excess of \$5,000. Depreciation is computed using the straight-line method over the following estimated useful lives: software - 3 years and furniture and equipment - 5 years. Leasehold improvements are depreciated over the shorter of the useful life of the improvement or the remaining term of the lease.

When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the consolidated statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2022 and 2021.

##### Revenue and Revenue Recognition

Revenues from contract services are recognized over the term of the contract. The Organization has determined that revenues from such contracts are attributable to three performance obligations (Differentiated Coaching, Group Training and a centralized source for Early Childhood Centers), and the Organization recognizes revenue as the services are performed. Progress toward completion of the Organization's consulting contracts is measured by the completion of various tasks as set forth in the scope of work. The transaction price is based on a unit cost methodology in the contract, and there is no variable consideration. There is no significant financing component as payment is received shortly after invoicing.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and nature of any donor-imposed restrictions.

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

Grants receive the same accounting treatment as contributions if management determines there are no donor-imposed conditions. Revenues from grants that are determined to have donor-imposed conditions are recognized as the related expenses are incurred, with unexpended funds recorded as refundable advances.

**AGENDA FOR CHILDREN, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies (continued)**

Contributed Services

Members of the Organization's board of directors and other volunteers have made contributions of their time to assist in the Organization's operations and related charitable programs. The value of this contributed time is not recorded in these financial statements because it does not meet the requirements to be recorded in accordance with U.S. GAAP.

Income Taxes

AFC is a not-for-profit corporation organized under the laws of the State of Louisiana. AFC is exempt from Federal income tax under Section 501(c)3 of the Internal Revenue Code (the Code) and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the Code.

AFC has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions.

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

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Direct program expenses are costs incurred that are charged directly to the function that benefits from the expense. All other costs have been allocated among the programs and supporting services benefited using time and effort.

Payroll Protection Program Funding

The Organization elected to record the proceeds received under this program in accordance with FASB ASC 470 resulting in the proceeds being reported as a financial liability upon receipt based on the terms as set forth with the financial institution. Once the Organization met the PPP's eligibility criteria the funds were accounted for as a contribution in the accompanying financial statements. See Note 11.

## AGENDA FOR CHILDREN, INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### 2. Liquidity and Availability

The following presents the Organization's financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year at June 30:

Financial assets at year-end:	2022	2021
Cash	\$ 7,274,852	\$ 4,528,562
Grants receivable	1,362,052	1,008,710
Contract receivable	957,548	-
Accounts receivable	22,116	1,050
Deposits	10,700	10,700
Due from employees	20,131	27,582
Total financial assets	<u>9,647,399</u>	<u>5,576,604</u>
Less amounts not available to be used within one year for general expenditures:		
Deposits	10,700	10,700
Due from employees	20,131	27,582
	<u>30,831</u>	<u>38,282</u>
Financial assets available to meet general expenditures within one year	<u>\$ 9,616,568</u>	<u>\$ 5,538,322</u>

The Organization's goal is to maintain at least 90 days of our operating expenses (approximately \$4.5M), a level greater than the recommended standard of 30 – 60 days value of expenditures in reserves. As part of its liquidity management plan, the Organization plans to invest cash in excess of daily requirements in short-term investments, CDs, and money market funds.

In August 2021, the Organization entered into a \$500,000 line of credit with a local financial institution. The line of credit bears interest at a variable prime interest rate which was 3.25% as of August 2021 and matures August 20, 2022. The line was renewed in August 2022 with a total principal amount of \$1,000,000. See Note 12. No amounts have been drawn on the line of credit. The line of credit is available to meet seasonal cash flow needs and in preparation for natural disasters and catastrophic events that may interrupt business.

#### 3. Concentrations and Credit Risk

For the years ended June 30, 2022 and 2021, the Organization received approximately 45% and 28%, respectively, of its revenue from various federal grants passed through the Louisiana Department of Education. The grant amounts are appropriated each year by the federal government. If significant budget cuts are made at the federal level, the amount of funds the Organization receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will significantly affect the amount of funds the Organization will receive relating to its grant awards.

The Organization has concentrated its credit risk for cash by maintaining deposits in reputable financial institutions, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation. The Organization has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

**AGENDA FOR CHILDREN, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**4. Net Assets with Donor Restrictions**

Net assets with donor restrictions were for the following purposes at June 30:

	<u>2022</u>	<u>2021</u>
Time and Purpose:		
NOEEN- Baptist Community Ministries	\$ -	\$ 179,523
ECHO Grant - W.K. Kellogg Foundation	300,000	20,000
Purpose:		
City Seats- City of New Orleans	-	600,000
Kid's Count - Annie E. Casey Foundation	45,000	50,000
Beloved Foundation	250,000	-
	<u>\$ 595,000</u>	<u>\$ 849,523</u>

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by occurrences of other events specified by donors. The primary funds released from net assets with donor restrictions during the year ended June 30, 2022, were City Seats expenditures of \$3,844,200 and W.K. Kellogg Foundation ECHO Fund expenditures of \$720,200. The primary funds released from net assets with donor restrictions during the year ended June 30, 2021, were City Seats expenditures of \$1,912,000 and expenditures of approximately \$480,000 from W.K. Kellogg Foundation ECHO grants.

**5. Property and Equipment**

Property and equipment consist of the following as of June 30:

	<u>2022</u>	<u>2021</u>
Leasehold improvements	\$ 52,392	\$ 52,392
Telephone	11,016	11,016
Software	21,880	21,880
	85,288	85,288
Less: accumulated depreciation	(84,003)	(81,799)
Property and equipment, net	<u>\$ 1,285</u>	<u>\$ 3,489</u>

**6. Leases**

The Organization leases office locations in New Orleans, Mandeville, and Houma, Louisiana. The New Orleans lease expires on December 31, 2022. The original lease term of the Mandeville location has expired but continue subsequent to expiration on a month-to-month basis. The Houma location leased space was destroyed during Hurricane Ida during the year ended June 30, 2021, and the lease terminated as a result. Future minimum lease payments for the New Orleans lease are approximately \$42,600 for the year ending June 30, 2023. The rental expense for the years ended June 30, 2022 and 2021, totaled \$111,250, and \$124,311, respectively.



**AGENDA FOR CHILDREN, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**7. Related Party Transactions**

The Organization incurred expenses with a business owned by a current board member totaling approximately \$0 and \$119,000 during the years ended June 30, 2022 and 2021, respectively for services related to its child care training programs.

The Organization has recorded amounts due from employees related to the change in the frequency of when payroll was processed. At termination, the amount is withheld from the employee's final paycheck.

**8. Cooperative Endeavor Agreement**

On June 4, 2020, retroactively effective as of January 1, 2020, the Organization entered into a one-year Cooperative Endeavor Agreement (CEA) with the City of New Orleans (the City) to accomplish the public purpose of providing young children with access to early education programs. The CEA required the Organization to enroll no fewer than 100 Orleans parish resident students, aged 0 – 3 years old, into early education programs across the City with a State performance rating of 3.75 or higher. Pursuant to the CEA, the City was to pay the Organization for the enrollment of no greater than 100 students at the rate of \$1,000 per student per month, for a total amount not to exceed \$1,200,000 per year. In addition, the City was to pay the Organization a maximum amount not to exceed \$300,000 per year for administrative and managerial costs.

On August 24, 2020, an Amendment to the CEA was signed to increase the minimum enrollment of students from 100 to 200 at the rate of \$1,000 per student per month or \$2,400,000. The administrative fee was increased to \$600,000 per year for administrative and managerial costs. The CEA was effective through December 31, 2021. Effective, January 1, 2022, a CEA was entered into under the same terms and is effective through December 31, 2022.

**9. Compensated Absences**

Employees of the Organization are entitled to paid vacation and sick days, depending on length of service and other factors. The Organization's policy is to accrue amounts earned by employees at the end of the year. As of June 30, 2022 and 2021, the Organization accrued \$44,215 and \$41,228 respectively, which are included in accounts payable and accrued expenses on the consolidated statements of financial position.

**10. Employee Retirement Plan**

The Organization adopted a 403(b) retirement plan (the Plan) on October 1, 2019, that is available to all eligible employees. Employees may contribute up to the maximum level of deferral allowed by the Internal Revenue Service. The Plan provides for safe harbor nonelective contributions equal to 3% of each employee's eligible compensation. Safe harbor contributions for the years ended June 30, 2022 and 2021, were \$59,670 and \$56,977, respectively.

**AGENDA FOR CHILDREN, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**11. Paycheck Protection Program**

During the year ended June 30, 2020, the Organization applied for and was approved for a \$538,874 loan under the Paycheck Protection Program administered by the Small Business Administration as part of the relief efforts related to COVID-19. The loan was included within long term liabilities on the statements of financial position as of June 30, 2020. The Organization was granted full forgiveness of the loan in January 2021 and the entire proceeds of the loan amount was recognized as revenue for the year ended June 30, 2021.

During the year ended June 30, 2021, the Organization applied for and was approved for a \$495,080 PPP Second Draw loan. The second draw is also administered by the SBA as part of the relief efforts related to COVID-19. The Organization was granted full forgiveness of the loan in March 2022 and the entire proceeds of the loan amount was recognized as revenue for the year ended June 30, 2022.

**12. Subsequent Events**

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, December 20, 2022, and determined that the following requires additional disclosure.

- In August 2021, the Organization entered into a \$500,000 line of credit with a local financial institution. In August 2022, the line of credit was renewed and increased to \$1,000,000. The line of credit bears interest at a variable prime interest rate which was 5.5% as of August 2022 and matures August 29, 2023.

No other subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

**SUPPLEMENTAL SCHEDULE**

**AGENDA FOR CHILDREN, INC.**  
**SCHEDULE OF COMPENSATION, BENEFITS,**  
**AND OTHER PAYMENTS TO AGENCY HEAD**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Agency Head Name: Dr. Anthony Recasner  
CEO - Agenda for Children  
July 1, 2020 - August 2, 2021

Purpose	Amount
Salary	\$ 19,487
Benefits - FICA & Medicare	1,480
Workers compensation	195
Benefits - health insurance	1,041
Benefits - life insurance	166
Benefits - retirement	585
Other	1,132
	\$ 24,086

Agency Head Name: Jennifer Roberts  
Executive Director - New Orleans  
Early Education Network  
August 1, 2021 - June 30, 2022

Purpose	Amount
Salary	\$ 164,639
Benefits - FICA & Medicare	11,530
Workers compensation	1,640
Benefits - life insurance	994
Benefits - retirement	4,920
Cell phone	1,200
Other	1,814
	\$ 186,737

**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  
Agenda for Children, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Agenda for Children, Inc. (the Organization), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 20, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's consolidated 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 Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite & Netterville

Metairie, Louisiana  
December 20, 2022

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

To the Board of Directors of  
Agenda for Children, Inc.  
New Orleans, Louisiana

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

***Opinion on Each Major Federal Program***

We have audited Agenda for Children, Inc.'s (a nonprofit organization) (the Organization) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2022. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control over Compliance**

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



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

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

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

*Postlethwaite & Netterville*

Metairie, Louisiana  
December 20, 2022

**AGENDA FOR CHILDREN, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2022**

<b>Federal Grantor/Pass-Through Grantor</b>	<b>Federal Assistance Listing</b>	<b>Pass-Through Grantor's Number</b>	<b>Federal Expenditures</b>
<b>U.S. Department of Education</b>			
(Passed through the State of Louisiana Department of Education) Comprehensive Literacy State Development	84.371	28-20-CCUB	\$ 393,328
(Passed through Tulane University) Robert Wood Johnson	84.305H	77183	<u>93,846</u>
Total for U.S. Department of Education			<u>487,174</u>
<b>U.S. Department of Health and Human Services</b>			
(Passed through the State of Louisiana Department of Education) Preschool Development Grants	93.434	28-21-B3SC	<u>3,859,820</u>
(Passed through the State of Louisiana Department of Education) Child Care and Development Block Grant (CCDF) Cluster:			
COVID CCR CCDF	93.575	28-21-CCCR-A4	400,000
Early Childhood Community Network Agencies	93.575	28-18-CO-NH	248,443
Early Childhood Education Fund	93.575	25-22-EFCR	3,458,000
Community Supply Building and Access	93.575	28-21-SBEC	100,000
Ready Start network	93.575	28-21-RSB5	<u>200,000</u>
Total CCDF Cluster			<u>4,406,443</u>
Total U.S. Department of Health and Human Services			<u>8,266,263</u>
Total Federal Expenditures			<u>\$ 8,753,437</u>

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

**AGENDA FOR CHILDREN, INC.**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2022**

**Note A - Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Agenda for Children (the Organization) under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Note B - Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to the Organization's consolidated financial statements for the year ended June 30, 2022. Such expenditures are recognized following the cost principles contained in accordance with the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the consolidated financial statements.

**Note C - Relationship to Financial Statements**

Federal revenues of \$8,753,437 are included in the Consolidated Statements of Activities.

**Note D - De Minimis Cost Rate**

During the year ended June 30, 2022, the Organization did not elect to use the 10% de minimis cost rate as covered in §200.414 of the Uniform Guidance.

**Note E - Amounts Passed through to Subrecipients**

During the year ended June 30, 2022, the Organization's did not pass through any federal funding to subrecipients.

**AGENDA FOR CHILDREN, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Summary of Independent Auditors' Results**

*Consolidated financial statements*

The type of report issued on the consolidated financial statements: Unmodified opinion

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? None noted

Noncompliance material to the consolidated financial statements noted? No

*Federal Awards*

Internal controls over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? No

Type of auditors' report issued on compliance for major programs: Unmodified opinion

Any audit findings which are required to be reported under the Uniform Guidance? No

Identification of major program:

Comprehensive Literacy State Development Assistance Listing #: 84.371

Child Care and Development Block Grant Cluster Assistance Listing #: 93.575

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as a low-risk auditee under Section 530 of The Uniform Guidance: No

**AGENDA FOR CHILDREN, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Findings– Financial Statements**

- None

**Findings and Questioned Costs – Major Federal Awards Programs**

- None

**AGENDA FOR CHILDREN, INC.**  
**SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

**Findings– Financial Statements**

- None

**Findings and Questioned Costs – Major Federal Awards Programs**

- None

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**AGENDA FOR CHILDREN, INC.**  
**REPORT ON STATEWIDE**  
**AGREED-UPON PROCEDURES ON COMPLIANCE AND CONTROL AREAS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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## **TABLE OF CONTENTS**

	<b><u>PAGE</u></b>
Independent Accountants' Report on Applying Agreed-Upon Procedures	1
Schedule A: Agreed-Upon Procedures Performed and Associated Findings	2 – 15
Schedule B: Management's Response and Corrective Action Plan	16



INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of  
Agenda for Children, Inc., and the  
Louisiana Legislative Auditor:

We have performed the procedures enumerated in Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. Agenda for Children, Inc.'s (Agenda for Children) management is responsible for those C/C areas identified in the SAUPs.

Agenda for Children, 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 C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. 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 we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by Agenda for Children 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 C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Agenda for Children 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 C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*Postlethwaite & Netterville*

Metairie, Louisiana  
December 20, 2022

AGENDA FOR CHILDREN, INC.  
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS  
JUNE 30, 2022

Schedule A

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read “*no exception noted*” or for step 25 “*we performed the procedure and discussed the results with management*”. If not, then a description of the exception ensues.

***A - Written Policies and Procedures***

---

1. 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):

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

*No exception 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 exception noted.*

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

*No exception noted.*

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

*The Entity has written policies for Receipts/Collections; however, the policies do not contain Managements actions to determine the completeness of all collections for each type of revenue.*

- e) ***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(s) rate of pay or approval and maintenance of pay rate schedules.

*No exceptions 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.

*The Entity has written policies for Payroll/Personnel; however, the policies do not contain attributes (1) types of service requiring written contracts, (2) standard terms and conditions, or (3) legal review.*

AGENDA FOR CHILDREN, INC.  
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS  
JUNE 30, 2022

Schedule A

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

*No exceptions noted.*

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

*The Entity has written policies for Travel and Expense Reimbursements; however, the policies do not contain attribute (2) dollar thresholds by category of expense.*

- i) **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.

*N/A for Non-Profit.*

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

*N/A for Non-Profit.*

- k) **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.

*The Entity has written policies for Disaster Recovery/ Business Continuity; however, the policies do not contain attributes (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, or (6) identification of personnel, processes, and tools needed to recover operations after a critical event.*

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

*The Entity has written policies for Sexual Harassment however the policy does not specifically address attributes (2) annual employee training or (3) annual reporting.*

AGENDA FOR CHILDREN, INC.  
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS  
JUNE 30, 2022

Schedule A

***B - Board or Finance Committee***

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2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- a) Observe whether 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 exception noted.*

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

*No exception noted.*

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

*The entity is a non-profit organization therefore this step is N/A.*

***C - Bank Reconciliations***

---

3. 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:

*A listing of bank accounts was provided and included a total of 6 bank accounts. Management identified the entity's main operating account. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we selected 5 bank accounts (1 main operating and 4 randomly) and obtained the bank reconciliations for the month ending April 30, 2022, resulting in 5 bank reconciliations obtained and subjected to the below procedures.*

AGENDA FOR CHILDREN, INC.  
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS  
JUNE 30, 2022

Schedule A

- 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);

*No exceptions noted.*

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

*No exceptions noted.*

- c) 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.

*Of the 5 bank accounts selected, 1 bank reconciliation had reconciling items that have been outstanding for more than 12 months. There was no documentation evidencing that these reconciling items were researched for proper disposition.*

***D - Collections (excluding electronic funds transfers)***

---

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

*A listing of deposit sites was provided and included a total of 1 deposit site. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we selected the 1 deposit site and performed the procedures below.*

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

*A listing of collection locations for the deposit site selected in procedure #4 was provided and included a total of 1 collection location. No exceptions were noted as a result of performing this procedure.*

*We selected the one collection location. Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.*

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

*No exceptions noted.*

AGENDA FOR CHILDREN, INC.  
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS  
JUNE 30, 2022

Schedule A

- 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 noted.*

- 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 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 noted.*

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

*No exceptions noted.*

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

*We randomly selected two deposit dates for each of the 5 bank accounts selected in procedure #3. We obtained supporting documentation for each of the 10 deposits and performed the procedures below.*

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

*No exceptions noted.*

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

*P&N was unable to trace 1 out of 2 collections to sequentially pre-numbered receipts, system reports, and other related collection documents to the deposit slip.*

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

*P&N was unable to trace 1 out of 2 collections deposit slip total to the actual deposit per the bank statement.*

AGENDA FOR CHILDREN, INC.  
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS  
JUNE 30, 2022

Schedule A

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

*1 out of 2 collections deposit was not made within one week of receipt.*

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

*No exceptions noted.*

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

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

*The listing of locations that process payments for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we selected the 1 location and performed the procedures below.*

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

*The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #8 was provided. No exceptions were noted as a result of performing this procedure.*

*Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.*

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

*No exceptions noted.*

- b) At least two employees are involved in processing and approving payments to vendors.

*No exceptions noted.*

AGENDA FOR CHILDREN, INC.  
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS  
JUNE 30, 2022

Schedule A

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

*No exceptions noted.*

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

*No exceptions noted.*

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

*A listing of non-payroll disbursements for each payment processing location selected in procedures #8 was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we randomly selected 5 disbursements and performed the procedures below.*

- a) Observe whether the disbursement matched the related original itemized invoice, and that supporting documentation indicates deliverables included on the invoice were received by the entity.

*No exceptions noted.*

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

*No exceptions noted.*

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

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

*A listing of cards was provided. No exceptions were noted as a result of performing this procedure.*



AGENDA FOR CHILDREN, INC.  
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS  
JUNE 30, 2022

Schedule A

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

*From the listing provided, we selected the 4 cards provided with transactions used in the fiscal period. We randomly selected one monthly statement for each of the 4 cards selected and performed the procedures noted below.*

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

*No exceptions noted.*

- b) Observe that finance charges and late fees were not assessed on the selected statements.

*No exceptions noted.*

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

*We randomly selected 10 transactions for each of the 4 cards selected in procedure #12 (all transactions if less than 10) and performed the specified procedures. For attribute (1) 3 out of 24 transactions did not have the original itemized receipt, attribute (2) 4 out of 24 transactions did not have written documentation of the business purpose, and attribute (3) 5 out of 9 transactions did not have documentation of the individuals participating in meals.*

AGENDA FOR CHILDREN, INC.  
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS  
JUNE 30, 2022

Schedule A

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

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

*The listing of travel and travel-related expense reimbursements was provided for the fiscal period. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we randomly selected 5 reimbursements and performed the procedures below.*

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

*Of the 5 reimbursements selected for our procedures, 3 used a per diem. No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

AGENDA FOR CHILDREN, INC.  
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS  
JUNE 30, 2022

Schedule A

***H - Contracts***

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

*An active vendor list for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we selected the 4 contracts and performed the procedures below.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*We randomly selected 1 payment for the 4 contracts selected in procedure #15 and performed the specified procedures. No exceptions noted.*

AGENDA FOR CHILDREN, INC.  
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS  
JUNE 30, 2022

Schedule A

***I - Payroll and Personnel***

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

*A listing of employees/elected officials employed during the fiscal year was provided. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we randomly selected 5 employees/officials and performed the specified procedures. No exceptions noted.*

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

*We randomly selected 1 pay period during the fiscal period and performed the procedures below for the 5 employees/officials selected in procedure #16.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

AGENDA FOR CHILDREN, INC.  
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS  
JUNE 30, 2022

Schedule A

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

*A listing of employees/officials receiving termination payments during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we randomly selected 2 employees/officials and performed the specified procedures. No exceptions were noted as a result of performing this procedure.*

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

*No exceptions noted.*

***J - Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

*The entity is a non-profit organization therefore this step is N/A.*

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

*The entity is a non-profit organization, therefore this step is N/A.*

***K - Debt Service***

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21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each bond/note issued.

*The entity had no debt in FY 2022, therefore this step is N/A.*

AGENDA FOR CHILDREN, INC.  
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS  
JUNE 30, 2022

Schedule A

22. 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).

*The entity had no debt in FY 2022, therefore this step is N/A.*

***L - Fraud Notice***

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23. 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.

*Management represented that the entity had no misappropriation of funds/assets during the fiscal year.*

24. 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.

*The notice was posted on the entity's website.*

***M - Information Technology Disaster Recovery/Business Continuity***

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

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

*We performed the procedure and discussed the results with management.*

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

*We performed the procedure and discussed the results with management.*

AGENDA FOR CHILDREN, INC.  
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS  
JUNE 30, 2022

Schedule A

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

*We performed the procedure and discussed the results with management.*

***N - Sexual Harassment***

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

*No exceptions noted.*

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

*The notice was posted in the entity's kitchen/breakroom.*

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

- a) Number and percentage of public servants in the agency who have completed the training requirements;

*No exceptions noted.*

- b) Number of sexual harassment complaints received by the agency;

*No complaints during the FY.*

- c) Number of complaints which resulted in a finding that sexual harassment occurred;

*No complaints during the FY.*

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

*No complaints during the FY.*

- e) Amount of time it took to resolve each complaint.

*No complaints during the FY.*

AGENDA FOR CHILDREN, INC.  
MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN  
JUNE 30, 2022

Schedule B

*Corrective Action*

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27. Obtain management's response and corrective action plan for any exceptions noted in the above agreed-upon procedures. See the following page.



December 19, 2022

Louisiana Legislative Auditor  
1600 North Third Street  
Baton Rouge, LA 70804-9397

Re: Agenda for Children's Management Responses to FY2022 Agreed-Upon Procedures Exceptions

Agenda for Children respectfully submits a corrective action in connection with the agreed-upon procedures and associated exceptions for the year ended June 30, 2022.

**Postlethwaite & Netterville Comments**

Comment #1: There are no specific policies and procedures for ensuring completeness of all collections for each type of revenue.

Comment #2: The Entity has written policies for Payroll/Personnel; however, the policies do not contain attributes (1) types of service requiring written contracts, (2) standard terms and conditions, or (3) legal review.

Comment #3: Travel and Expense Reimbursement does not contain dollar threshold.

Comment #4: Information Technology Disaster Recovery/Business Continuity policies and procedures do not contain these specific items

- (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, or*
- (6) identification of personnel, processes, and tools needed to recover operations after a critical event*

Comment #5: The Entity has written policies for Sexual Harassment however the policy does not specifically address attributes (2) annual employee training or (3) annual reporting.

Comment #6: Of the 5 bank accounts selected, 1 bank reconciliation had reconciling items that have been outstanding for more than 12 months. There was no documentation evidencing that these reconciling items were researched for proper disposition.

- Comment #7: For Hancock Whitney Operating account deposit 3/10/22 for 22,946.11, P&N was unable to trace to sequentially pre-numbered receipt, system report, and other related collection documentation to the deposit slip. We were also unable to trace the deposit slip total to the actual deposit per the bank statement (attribute C).
- Comment #8: For Hancock Whitney Operating account deposit 4/8/22 for 54.73 - deposit was made 17 days after receipt, and not within the one-week guidelines for deposits under \$100.
- Comment #9: We randomly selected 10 transactions for all 4 cards selected in procedure #12 (all transactions if less than 10) and performed the specified procedures. For attribute (1) 3 out of 24 transactions did not have the original itemized receipt, attribute (2) 4 out of 24 transactions did not have written documentation of the business purpose, and attribute (3) 5 out of 9 transactions did not have documentation of the individuals participating in meals.
1. Yes for Nola Kids parking \$20, Alchemer LLC \$149, SQ Gracious Bakery \$4.95 did not have the original Itemized receipt.
  2. Alchemer LLC \$149, Gracious Bakery \$4.95, Uber Eats \$9.16, Uber Eats \$46.27, did not have documentation of the business purpose
  3. Gracious Bakery \$4.95, Uber Eats \$9.16, Uber Eats \$46.27, Chic Fil A \$293.97, and TST Leos Bread \$33.37, did not contain documentation of individuals participating in meals.

**Management's Response:**

- Comment #1: The following statement has been added to Agenda for Children's Accounting Policies and Procedures Section VI. Billing and Collections

*Accounts Receivable balances – per detail receivables ledger(s) – shall be reconciled by the Comptroller at every month-end to the general ledger control account and discrepancies identified, explained, and resolved.*

- Comment #2: The following statement has been added to Agenda for Children's Accounting Policies and Procedures Section V – Budgetary Planning and Control.

**Contracted Services**

*Services requiring a written agreement include, but are not limited to, employment contracts, lease agreements, insurance agreements, financial agreements, professional service agreements, consultant agreements, and memorandums of understanding.*

*Agenda has a standard contract agreement for consulting services, which identifies contacts, standard terms, scope of work, expertise, budget, conditions, etc. This template has been reviewed by a legal expert. Any significant update to our standard template shall be reviewed by Agenda's legal partner.*

*Contracts provided by partners shall be reviewed by legal representatives as needed. Any new contract/agreement that is material to operations shall be reviewed by a legal partner.*

Comment #3: Our travel policies state that we will use the rates established by the US General Services Administration (GSA). As these rates change frequently, we cannot state an exact dollar threshold.

We will add that travel reimbursement shall not exceed the reimbursement rates established by GSA that federal agencies use to reimburse employees for subsistence expenses incurred while on official business travel.

We follow the IRS standard mileage rate for all mileage reimbursement. No mileage reimbursement shall exceed the current standard mileage rate for travel at during the reimbursement period.

Comment #4: The following details have been added to our Information Technology Disaster Recovery/Business Continuity policies and procedures:

- (1) Critical data for our organization includes, but is not limited to, data regarding employees, finances, vendors, partners, operations, research/analytics, etc. Critical data shall be backed up at least weekly. These backups shall be performed manually and/or automatically.*
- (2) Storage of backups shall include a server, backup software and cloud backup services.*
- (3) Agenda shall test backup restore at least once annually and whenever there's a substantive change to the business or technology infrastructure.*
- (4) Use of antivirus software on all systems is required and necessary on all company computers to prevent, detect and remove malware infections on individual computing devices.*
- (5) Patch management occurs on a regular basis to scan systems, detect missing patch and/or patch highly vulnerable systems. This is essential on all computing devices as a part of essential preventative maintenance necessary to keep machines up-to-date, stable, and safe from malware and other threats.*
- (6) The Vice President, Finance & Administration in conjunction with Information Technology Consultant shall lead IT Disaster Recovery. This will include restoring backups via server, backup software, and/or cloud backup services as needed.*

Comment #5: The following statement has been added to Agenda for Children's Employee Handbook Section 1 – 5 Non-Harassment

**Employee Training**

*All employees shall receive at least one hour of sexual harassment training each calendar year. The training shall be followed up with an annual sexual harassment report each fiscal year and include the following information:*

- a. Number and percentage of employees who have completed the training requirements;*
- b. Number of sexual harassment complaints received by the agency;*
- c. Number of complaints which resulted in a finding that sexual harassment occurred;*
- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and*
- e. Amount of time it took to resolve each complaint.*

Comment #6: With the addition of the Comptroller position, Agenda will have the capacity to monitor that outstanding reconciling items will be researched and disposed of in a timely manner.

Comment #7: With the addition of the Comptroller position, Agenda will have the capacity to monitor and ensure that all transactions have the required supporting documentation.

Comment #8: With the addition of the Comptroller position, Agenda will have the capacity to monitor and be more diligent in depositing all checks within the recommended/required time frame.

Comment #9: With the addition of the Comptroller position, Agenda will have the capacity to monitor and ensure that all transactions have the required supporting documentation.