

**SAFE HAVYNN EDUCATION CENTER**

Lafayette, Louisiana

Financial Report

Year Ended September 30, 2022

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Safe Havynn Education Center

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

#### ***Opinion***

We have audited the accompanying financial statements of Safe Havynn Education Center (a nonprofit organization), which comprise the statement of financial position as of September 30, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Safe Havynn Education Center as of September 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Safe Havynn Education Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

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

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Safe Havynn Education Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Safe Havynn Education Center'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 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2023, on our consideration of Safe Havynn'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Safe Havynn's internal control over financial reporting and compliance.

***Darnall, Sikes & Frederick***

A Corporation of Certified Public Accountants

Lafayette, Louisiana

February 27, 2023

## **FINANCIAL STATEMENTS**

SAFE HAVYNN EDUCATION CENTER

Statement of Financial Position  
September 30, 2022

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 43,821
Total current assets	<u>43,821</u>

PROPERTY AND EQUIPMENT

Automobiles	38,598
Less: accumulated depreciation	<u>(642)</u>
Net property and equipment	<u>37,956</u>

TOTAL ASSETS	<u><u>\$ 81,777</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accrued expenses	\$ 14,501
Payroll liabilities	<u>38</u>
Total current liabilities	<u>14,539</u>

NET ASSETS

Without donor restrictions	10
With donor restrictions	<u>67,228</u>
Total net assets	<u>67,238</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 81,777</u></u>
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See independent auditor's report and notes to financial statements.

SAFE HAVYNN EDUCATION CENTER

Statement of Activities  
Year Ended September 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue:			
Grants:			
Government grants	\$ -	\$ 821,398	\$ 821,398
Total grants	-	821,398	821,398
Contributions and support:			
Other and miscellaneous	-	4,424	4,424
Interest income	<u>6</u>	<u>-</u>	<u>6</u>
Total contributions and support	<u>6</u>	<u>4,424</u>	<u>4,430</u>
Total revenue	6	825,822	825,828
Expenses:			
Program services	-	702,547	702,547
Administrative	<u>-</u>	<u>56,047</u>	<u>56,047</u>
Total expenses	<u>-</u>	<u>758,594</u>	<u>758,594</u>
INCREASE IN NET ASSETS	6	67,228	67,234
NET ASSETS, beginning	<u>4</u>	<u>-</u>	<u>4</u>
NET ASSETS, ending	<u>\$ 10</u>	<u>\$ 67,228</u>	<u>\$ 67,238</u>

See independent auditor's report and notes to financial statements.

SAFE HAVYNN EDUCATION CENTER

Statement of Functional Expenses  
Year Ended September 30, 2022

	Program Services	General and Admin	Total
Advertising	\$ 39,245	\$ -	\$ 39,245
Bank charges	297	-	297
Depreciation expense	-	642	642
Education and training	33,465	-	33,465
Employee benefits	-	32,255	32,255
Insurance	68,531	-	68,531
Management and admin	1,438	-	1,438
Meals	21,320	-	21,320
Miscellaneous	12,286	-	12,286
Office expenses	-	6,396	6,396
Legal and professional	31,396	-	31,396
Rent	28,000	-	28,000
Repairs and maintenance	14,756	-	14,756
Salaries, benefits and payroll taxes	362,271	16,754	379,025
Small equipment	9,638	-	9,638
Supplies	26,252	-	26,252
Taxes	27,125	-	27,125
Travel and mileage	8,535	-	8,535
Utilities	17,992	-	17,992
	<u>\$ 702,547</u>	<u>\$ 56,047</u>	<u>\$ 758,594</u>

See independent auditor's report and notes to financial statements.

SAFE HAVYNN EDUCATION CENTER

Statement of Cash Flows  
Year Ended September 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 67,234
Adjustments to reconcile change in net assets to net cash provided in operating activities:	
Depreciation expense	642
Increase (decrease) in:	
Accrued payroll liabilities	38
Accrued expenses	3,810
Deferred revenue	<u>(9,342)</u>
Net cash provided by operating activities	<u>62,382</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Net purchases of fixed assets	<u>(38,598)</u>
Net cash used by investing activities	<u>(38,598)</u>
Net increase in cash	<u>23,784</u>
CASH, beginning of year	<u>20,037</u>
CASH, end of year	<u><u>\$ 43,821</u></u>

See independent auditor's report and notes to financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

SAFE HAVYNN EDUCATION CENTER  
Lafayette, Louisiana

Notes to Financial Statements

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Safe Havynn Education Center (the Organization) is a non-profit corporation that serves an eight-parish region of Southwestern Louisiana, known collectively as Acadiana. The Organization serves a pivotal role in educating and providing tools and skills necessary in order to help teens to thrive. Much of the Organization's work is accomplished through life skill camps and a variety of sexuality/abstinence programs.

Basis of Presentation

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

*Net assets without donor restrictions* – Net assets that are not subject to donor-imposed stipulations or grantor-imposed restrictions.

*Net assets with donor restrictions* – Net assets with donor restrictions or resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature, such as those that are restricted by a donor that the resources be maintained in perpetuity.

Basis of Accounting

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

Public Support and Revenue

Grants and other contributions of cash and other assets are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions is reclassified to net assets without donor restrictions and reported in the Statement of Activities as "Net Assets Released from Restrictions." Restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions.

Revenue Recognition

The Organization recognizes revenue when reimbursement deposits are received. After expenses are incurred or once the grant stipulations are fulfilled, the Organization submits request for reimbursement. As per the award letter, deposits are received the next business day via ACH. At that time, revenue is recognized.

SAFE HAVYNN EDUCATION CENTER  
Lafayette, Louisiana

Notes to Financial Statements

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In the event that any of the budgeted revenue is not requested as reimbursement for expenses, it is not deposited nor is it recognized.

As per the matching principle, any budgeted amount not received and not requested within 60 days of period end, is not considered deferred. At September 30, 2022, the Organization had deferred revenue of \$0.

Change in Accounting Principle

FASB issued ASU No. 2016-14, "Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities" in 2016. The ASU addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization adopted ASU 2016-14 during the fiscal year ended September 30, 2021. The adoption of ASU 2016-14 had no impact on the Organization's total net assets.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents exclude permanently restricted cash and cash equivalents.

Advertising

Advertising costs are expensed as incurred. Advertising expense was \$39,245 for the year ended September 30, 2022.

Compensated Absences

Employees of the Organization are entitled to paid time off, depending on job classification, length of service, and other factors. The annual leave varies from 40 to 80 hours per calendar year, based on the employee's length of service. Unused vacation days at the end of a benefit year are lost. Upon separation, employees are paid for any unused paid time off at the employee's current rate of pay as it has been earned through the last day of work. Compensated absences payable was \$0 for the year ended September 30, 2022.

SAFE HAVYNN EDUCATION CENTER  
Lafayette, Louisiana

Notes to Financial Statements

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Uses of Estimates

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

Income Tax Exemption

The Organization is an exempt organization for federal income tax purposes under Section 501(c)(3) of the Internal Revenue Code. Additionally, the Internal Revenue Service has determined that the Organization does not qualify as a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. However, should the Organization engage in activities unrelated to its exempt purpose, taxable income could result. The Organization had no material unrelated business income for the fiscal year under audit. Therefore, no provision for income taxes has been made in the accompanying financial statements.

Accounting Standards Codification 740 (ASC 740) requires that a tax position be recognized or derecognized based on a "more than not" threshold. This applies to positions taken or expected to be taken in a tax return where there is uncertainty about whether a tax position will ultimately be sustained upon examination. The Organization has evaluated its tax positions and determined that it does not have any uncertain tax positions that meet the requirements of ASC 740. Accordingly, implementation of ASC 740 did not have any impact on the accompanying financial statements.

Property and Equipment

All property and equipment are capitalized that have a cost or estimated cost of \$5,000 or more. Expenses for additions, major renewals, and betterments are capitalized. Expenses for maintenance and repairs are charged to expense as incurred. Donations of property and equipment are recorded as support at their estimated fair market value and are reported as without donor restrictions unless the donor has restricted the donated assets for a specific purpose. Property acquired with grant funds are disposed of in accordance with grantor requirements.

SAFE HAVYNN EDUCATION CENTER  
Lafayette, Louisiana

Notes to Financial Statements

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation is computed using the straight-line method at rates based on the following estimated useful lives:

	<u>Years</u>
Automobiles	5

Subsequent Events

Management has evaluated subsequent events through February 27, 2023, the date the financial statements were available to be issued.

NOTE 2 AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets available for general expenditures, that is, without donor or other restrictions limiting their use as of September 30, 2022:

Cash and cash equivalents	<u>\$ 43,821</u>
Total financial assets available to meet general expenditures over the next twelve months	<u><u>\$ 43,821</u></u>

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment acquired by the Organization are considered to be owned by the Organization. However, the State of Louisiana maintains the title to the property and equipment purchased in whole or in part under contracts/grants funded by the State of Louisiana. The State has the right to require the transfer of the property and equipment (including the title) to the State or to an eligible non-state party named by the State. Such transfer may occur at any time.

Property and equipment consisted of the following at September 30, 2022:

Assets being depreciated:	
Vehicles	<u>\$ 38,598</u>
Total assets being depreciated	38,598
Less accumulated depreciation	<u>(642)</u>
Assets being depreciated, net	<u>37,956</u>
Total assets, net	<u><u>\$ 37,956</u></u>

SAFE HAVYNN EDUCATION CENTER  
Lafayette, Louisiana

Notes to Financial Statements

NOTE 4 COMPENSATION OF BOARD OF DIRECTORS

Directors do not receive any compensation for their services as Directors of the Organization. Directors may be reimbursed for their expenses, if any, incurred in carrying out the purposes of the Organization, provided that such reimbursement does not adversely affect the Organization's qualification under Section 501(c)(3) of the Internal Revenue Code.

NOTE 5 CONCENTRATIONS

The Organization received a substantial portion of its revenues from City, Parish and State grants and contracts. Any substantial change in any of these components could have adverse effects on the Organization's financial condition.

NOTE 6 CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances at one financial institution which may, at times, exceed Federal Deposit Insurance Corporation insurance limits of \$250,000. There is no credit risk associated with these deposits.

NOTE 7 OPERATING LEASES

The Company leases a building in Lafayette, Louisiana under a non-cancelable operating lease with a 2 year term from September 1, 2021 through August 31, 2023. The monthly rental payments are equivalent to \$3,000 a month. Future minimum lease payments are \$33,000 and \$0 for the years ended September 30, 2023 and 2024, respectively.

NOTE 8 CONTINGENCIES – GRANT PROGRAMS

The Organization participates in federal, state and local grant programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Organization has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable at year end may be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and local grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the Organization.

SAFE HAVYNN EDUCATION CENTER  
Lafayette, Louisiana

Notes to Financial Statements

NOTE 9 COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO DIRECTOR

A detail of compensation, benefits, and other payments made to the executive director Elizabeth Moore for the year ended September 30, 2022.

Purpose	Amount
Salary	\$ 117,114
Benefits - insurance and retirement	32,093
Total	<u>\$ 149,208</u>

NOTE 10 RETIREMENT PLAN

The employees of the Organization are allowed to participate in the profit sharing 401(k) plan. The Plan covers all full-time employees of the Company who have one year of service and are age twenty-one or older. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Each year, the employer may make contributions at the option of the Company's management. Participants may contribute up to the amount required by law. The Company's match was \$32,682 for the year ended September 30, 2022.

**INTERNAL CONTROL, COMPLIANCE,  
AND  
OTHER MATTERS**

OTHER LOCATIONS:

Eunice    Morgan City    Abbeville

Independent Auditor's Report on Internal Control Over Financial  
Reporting and on Compliance and Other Matters Based on an  
Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards*

To the Board of Directors of  
Safe Havynn Education Center  
Lafayette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Safe Havynn Education Center (the Organization) (a nonprofit organization), which comprise the statement of financial position as of September 30, 2022, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 27, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 may exist that have not been identified.

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

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

### **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. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document; therefore its distribution is not limited.

## ***Darnall, Sikes & Frederick***

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana

February 27, 2023

Independent Auditor's Report on Compliance for each  
Major Program and on Internal Control over Compliance  
Required by the *Uniform Guidance*

The Board of Directors  
Safe Havynn Education Center  
Lafayette, Louisiana

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

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

We have audited the Safe Havynn Education Center's (the Organization) compliance with the types of compliance requirements identified as subject to audit 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 September 30, 2022. The Organization's major federal programs are identified in the summary of auditor's 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 September 30, 2022.

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

We conducted our audit of compliance in accordance with auditing standard 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 the Organization 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 the Organization'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 the Organization'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 the Organization'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 the Organization'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 the Organization'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 the Organization'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 the Organization'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, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

This report is intended solely for the information and use of the Board of Directors, management, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Darnall, Sikes & Frederick*

A Corporation of Certified Public Accountants

Lafayette, Louisiana

February 27, 2023

SAFE HAVYNN EDUCATION CENTER  
Lafayette, Louisiana

Schedule of Expenditures of Federal Awards  
Year Ended September 30, 2022

Federal Grantor/Pass-Through Grantor/Program Name	Grantor Project Number	Assistance Listing Number	Federal Expenditures
Department of Health and Human Services Administration for Children and Families Sexual Risk Avoidance Education	90SR0094-02-00	93.060	\$ 464,607
Department of Health and Human Services Administration for Children and Families Sexual Risk Avoidance Education	90SR0147-01-00	93.060	<u>331,943</u>
Total Department of Health and Human Services			<u><u>796,550</u></u>
Total Expenditures of Federal Awards			<u><u>\$ 796,550</u></u>

SAFE HAVYNN EDUCATION CENTER  
Lafayette, Louisiana

Notes to the Schedule of Expenditures of Federal Awards  
Year Ended September 30, 2022

NOTE 1 BASIS OF PRESENTATION

The schedule of expenditures of federal awards includes the federal grant activity of the Safe Havynn Education Center (the Organization) under programs of the federal government for the year ended September 30, 2022. The information in this schedule is presented in accordance with the requirements of *OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position or changes in net assets of the Organization.

NOTE 2 BASIS OF ACCOUNTING

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3 RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

NOTE 4 INDIRECT COST RATE

The Organization has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

SAFE HAVYNN EDUCATION CENTER  
Lafayette, Louisiana

Summary Schedule of Prior Year Findings  
Year Ended September 30, 2022

This section is not applicable for the year ended September 30, 2022.

SAFE HAVYNN EDUCATION CENTER  
Lafayette, Louisiana

Schedule of Findings and Responses  
Year Ended September 30, 2022

**Part 1: Summary of Auditor's Results**

**FINANCIAL STATEMENTS**

Auditor's Report – Financial Statements

An unmodified opinion has been issued on Safe Havynn Education Center's financial statements as of and for the year ended September 30, 2022.

Deficiencies in Internal Control – Financial Reporting

There were no deficiencies in internal control over financial reporting noted during the audit.

Noncompliance – Financial Reporting

There were no material instances of noncompliance noted during the audit of the financial statements.

**FEDERAL AWARDS**

Auditor's Report – Major Programs

An unmodified opinion has been issued on Safe Havynn Education Center's compliance with the requirements of its major programs as of and for the year ended September 30, 2022.

Risk Consideration

The Organization was considered a low-risk auditee for the year ended September 30, 2022.

Major Programs – Identification:

Department of Health and Human Services, Administration for Children and Families Sexual Risk Avoidance Education	93.060
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Program Type Determination

The dollar threshold to distinguish between Type A and Type B programs was \$750,000 for the fiscal year ended September 30, 2022. The Organization had one Type A programs for the year.

Deficiencies in Internal Control – Major Programs

Our consideration of internal control over major programs disclosed no instances of internal control deficiencies.

Noncompliance – Major Programs

The results of our tests on compliance for each major program disclosed no instances of noncompliance.

**MANAGEMENT LETTER**

A management letter was not issued for the fiscal year ended September 30, 2022.

SAFE HAVYNN EDUCATION CENTER  
Lafayette, Louisiana

Schedule of Findings and Responses (Continued)  
Year Ended September 30, 2022

**Part 2: Findings Relating to an Audit in Accordance with *Government Auditing Standards***

This section is not applicable for the year ended September 30, 2022.

**Part 3: Findings and Questioned Costs Relating to Federal Programs**

This section is not applicable for the year ended September 30, 2022.

SAFE HAVYNN EDUCATION CENTER  
Lafayette, Louisiana

Management's Corrective Action Plan for Current Year Findings  
Year Ended September 30, 2022

This section is not applicable for the year ended September 30, 2022.



**DARNALL SIKES  
& FREDERICK**

A CORPORATION OF CERTIFIED  
PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of  
Safe Havynn Education Center  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below 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 October 1, 2021 through September 30, 2022. The Safe Havynn Education Center (Entity's) management is responsible for those C/C areas identified in the SAUPs.

The Entity 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 October 1, 2021 to September 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 and associated findings are as follows:

***Written Policies and Procedures***

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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.

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

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

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

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

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

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

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

- e) **Payroll/Personnel**, including (1) payroll processing, and (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.

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

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

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

- 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).

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

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

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

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

This section is not applicable. The Entity is a nonprofit entity.

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

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

- 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.

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

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

This section is not applicable. The Entity is a nonprofit entity.

### ***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 that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.  
*No exceptions noted.*
  - 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, quarter budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds  
*No exceptions noted.*
  - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.  
*Not applicable.*

### ***Bank Reconciliations***

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3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each account selected, and observe that:  
*Obtained listing of bank accounts from management and management's representation that the listing is complete.*
  - 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 that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.  
*No exceptions noted.*

### ***Collections (excluding electronic fund 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).  
*Obtained listing of deposit sites and management's representation that the listing is complete.*

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:

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

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

No exceptions noted.

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

No exceptions 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:

- 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.

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

***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).

Listing of locations that process payments and management's representation that the listing is complete was obtained.

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:

- 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.

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

No exceptions noted.

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

No exceptions noted.

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

---

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

Listing of active credit cards, bank debit cards, fuel cards, and P-cards, including the card numbers and the names of the persons who maintained possession of the cards, and management's representation that the listing is complete was obtained.

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:
- Observe that 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) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

No exceptions noted.

- 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 that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions noted.

### **Travel and Travel-Related Expense Reimbursement**

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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:

Listing of all travel reimbursements were obtained and management's representation that the listing is complete was obtained.

- If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

### **Contracts**

---

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

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

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

Not applicable.

- b) Observe that 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 that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, 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 that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted.

### **Payroll and Personnel**

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

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

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:

- a) Observe that 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 that supervisors approved the attendance and leave of the selected employees/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.

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

No exceptions noted.

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 associated forms have been filed, by required deadlines.

No exceptions noted.

### **Ethics**

---

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.

This section is not applicable. The Entity is a nonprofit entity.

- 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.

This section is not applicable. The Entity is a nonprofit entity.

### **Debt Service**

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

Not applicable.

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).

No exceptions noted.

### ***Fraud Notice***

---

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.

*No misappropriations of public funds and assets noted.*

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.

*No exceptions noted.*

### ***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.*

- 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.*

### ***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.

*This section is not applicable. The Entity is a nonprofit entity.*

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).

*This section is not applicable. The Entity is a nonprofit entity.*

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;

*This section is not applicable. The Entity is a nonprofit entity.*

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

*This section is not applicable. The Entity is a nonprofit entity.*

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

*This section is not applicable. The Entity is a nonprofit entity.*

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

*This section is not applicable. The Entity is a nonprofit entity.*

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

*This section is not applicable. The Entity is a nonprofit entity.*

We were engaged by the Entity 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 the Entity 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.

***Darnall, Sikes & Frederick***

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana

February 27, 2023