

IRIS DOMESTIC VIOLENCE CENTER  
Baton Rouge, Louisiana

AUDITED FINANCIAL STATEMENTS  
December 31, 2019 and 2018



TABLE OF CONTENTS

|   | <u>PAGE</u> |
|---|-------------|
| INDEPENDENT AUDITORS' REPORT.....   | 1           |
| FINANCIAL STATEMENTS  |             |
| Statements of Financial Position.....   | 3           |
| Statements of Activities and Changes in Net Assets.....   | 4           |
| Schedule of Functional Expenses – Year Ended December 31, 2019 .....  | 5           |
| Schedule of Functional Expenses – Year Ended December 31, 2018 .....  | 6           |
| Statements of Cash Flows.....   | 7           |
| Notes to Financial Statements.....  | 8           |
| SUPPLEMENTARY INFORMATION:  |             |
| Schedule of Compensation, Benefits and Other Payments to Executive Director.....  | 14          |
| OTHER REPORTS REQUIRED BY <i>GOVERNMENTAL AUDITING STANDARDS</i>  |             |
| Independent Auditors' Report on Internal Control over Financial Reporting<br>And on Compliance and other Matters Based on an Audit of Financial<br>Statements Performed in Accordance with <i>Governmental Auditing Standards</i> ..... | 15          |
| Summary of Findings and Responses .....   | 16          |



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Iris Domestic Violence Center  
Baton Rouge, Louisiana

We have audited the accompany financial statements of Iris Domestic Violence Center (a not for profit organization) which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets, statement of functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Iris Domestic Violence Center as of December 31, 2019 and 2018, and the respective changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits, and other payments to agency head on page 14 is required by the Louisiana Revised Statute 24:513(A)(3) and is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of compensation, benefits, and other payments to agency head or chief executive officer are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic 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 of the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2020, on our consideration of Iris Domestic Violence Center'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 Iris Domestic Violence Center'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 Iris Domestic Violence Center's internal control over financial reporting and compliance.

TWRU

CPAs & Financial Advisors  
July 28, 2020

IRIS DOMESTIC VIOLENCE CENTER  
Baton Rouge, Louisiana

STATEMENTS OF FINANCIAL POSITION  
(See Notes to Financial Statements)  
December 31, 2019 and 2018

|                                     | <u>ASSETS</u> |    | <u>2019</u>  | <u>2018</u> |
|-------------------------------------|---------------|----|--------------|-------------|
| <b>ASSETS</b>                       |               |    |              |             |
| Cash and Cash Equivalents           |               | \$ | 263,966      | \$ 214,029  |
| Grants Receivable                   |               |    | 213,887      | 178,921     |
| Other Receivables                   |               |    | 2,390        | -           |
| Prepaid Expenses                    |               |    | 21,429       | 20,185      |
| Other Current Assets                |               |    | 8,650        | 4,549       |
| <b>TOTAL CURRENT ASSETS</b>         |               |    | 510,322      | 417,684     |
| <b>PROPERTY AND EQUIPMENT</b>       |               |    |              |             |
| Construction in Progress            |               |    | 1,190,000    | -           |
| Furniture, Fixtures and Equipment   |               |    | 407,231      | 407,231     |
| Building                            |               |    | 1,007,466    | 995,353     |
| <b>TOTAL PROPERTY AND EQUIPMENT</b> |               |    | 2,604,697    | 1,402,584   |
| Less Accumulated Depreciation       |               |    | (1,113,524)  | (1,064,455) |
|                                     |               |    | 1,491,173    | 338,129     |
| Land                                |               |    | 45,000       | 45,000      |
| <b>NET PROPERTY AND EQUIPMENT</b>   |               |    | 1,536,173    | 383,129     |
| <b>OTHER ASSETS</b>                 |               |    |              |             |
| Deposits                            |               |    | 3,211        | 650         |
| <b>TOTAL ASSETS</b>                 |               |    | \$ 2,049,706 | \$ 801,463  |

LIABILITIES AND NET ASSETS

|   | <u>2019</u>         | <u>2018</u>       |
|---|---------------------|-------------------|
| <b>CURRENT LIABILITIES</b>              |                     |                   |
| Accounts Payable                        | \$ 56,851           | \$ 37,988         |
| Payroll Liabilities                     | 48,947              | 53,084            |
| Line of Credit                          | 105,150             | 100,000           |
| Accrued Expenses                        | -                   | 10,669            |
| <b>TOTAL CURRENT LIABILITIES</b>        | <u>210,948</u>      | <u>201,741</u>    |
| <b>NON CURRENT LIABILITIES</b>          |                     |                   |
| Repayment of Grant Funds Not Used       | <u>37,134</u>       | <u>37,134</u>     |
| <b>TOTAL LIABILITIES</b>                | <u>248,082</u>      | <u>238,875</u>    |
| <b>NET ASSETS</b>                       |                     |                   |
| Without Donor Restrictions              | 1,709,663           | 454,813           |
| With Donor Restrictions                 | <u>91,961</u>       | <u>107,775</u>    |
| <b>TOTAL NET ASSETS</b>                 | <u>1,801,624</u>    | <u>562,588</u>    |
| <b>TOTAL LIABILITIES AND NET ASSETS</b> | <u>\$ 2,049,706</u> | <u>\$ 801,463</u> |

IRIS DOMESTIC VIOLENCE CENTER  
Baton Rouge, Louisiana

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
(See Notes to Financial Statements)  
For the Years Ended December 2019 and 2018

|  | 2019         | 2018       |
|--|--------------|------------|
| <b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>      |              |            |
| <b>REVENUES</b>  |              |            |
| Grants:  |              |            |
| Federal  | \$ 658,413   | \$ 448,289 |
| Local  | 250,000      | 250,000    |
| State  | 60,899       | 68,567     |
| United Way   | 85,100       | 127,600    |
| Contributions  | 299,810      | 100,175    |
| Fundraising Project-Donations                                | 59,222       | -          |
| In-Kind Donations  | 1,190,000    | -          |
| Other Income   | -            | 9,150      |
| Net Assets Released from Restrictions                        | 15,814       | 81,797     |
| Total Revenues Without Donor Restrictions                    | 2,619,258    | 1,085,578  |
| <b>EXPENSES</b>  |              |            |
| Program Services:  |              |            |
| Residential Services   | 1,008,807    | 959,007    |
| Education and Training                                       | 11,383       | 11,038     |
| Legal Services   | 69,731       | 74,090     |
| Outreach   | 74,629       | 69,062     |
| Supporting Services:   |              |            |
| General and Administrative                                   | 171,625      | 186,781    |
| Fundraising  | 40,379       | 23,192     |
| Total Expenses   | 1,376,554    | 1,323,171  |
| <b>OTHER INCOME (EXPENSES)</b>                               |              |            |
| Interest Income  | 12,146       | -          |
| Repayment of Grant Funds Not Used                            | -            | (37,134)   |
| Total Other Income (Expense)                                 | 12,146       | (37,134)   |
| Increase (Decrease) in Net Assets Without Donor Restrictions | 1,254,850    | (274,727)  |
| <b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>         |              |            |
| Grant Revenue  | -            | 133,161    |
| Net Assets Released from Restrictions                        | (15,814)     | (81,797)   |
| (Decrease) Increase in Net Assets With Donor Restrictions    | (15,814)     | 51,364     |
| Increase (Decrease) in Net Assets                            | 1,239,036    | (223,363)  |
| Net Assets, Beginning of year                                | 562,588      | 785,951    |
| Net Assets, End of year                                      | \$ 1,801,624 | \$ 562,588 |

IRIS DOMESTIC VIOLENCE CENTER  
Baton Rouge, Louisiana

STATEMENT OF FUNCTIONAL EXPENSES  
(See Notes to Financial Statements)  
For the Year Ended December 31, 2019

|                                     | Program Services        |                         |                   |                      | Fundraising      | General &<br>Administrative | Total<br>Expense    |
|-------------------------------------|-------------------------|-------------------------|-------------------|----------------------|------------------|-----------------------------|---------------------|
|                                     | Residential<br>Services | Education &<br>Training | Legal<br>Services | Outreach<br>Services |                  |                             |                     |
| Salaries                            | \$ 121,260              | \$ 1,826                | \$ 6,526          | \$ 10,561            | \$ 3,219         | \$ 17,579                   | \$ 160,971          |
| Hourly Wages                        | 446,187                 | 8,026                   | 13,395            | 42,090               | 10,402           | -                           | 520,100             |
| Contract Attorneys                  | 70,572                  | -                       | 40,439            | -                    | -                | -                           | 111,011             |
| Employee Benefits                   | 26,528                  | 113                     | -                 | 917                  | 1,191            | 30,815                      | 59,564              |
| Payroll Taxes                       | 48,011                  | 575                     | 1,327             | 3,285                | 1,120            | 1,660                       | 55,979              |
| Supplies                            | 11,892                  | -                       | -                 | 11                   | -                | 113                         | 12,016              |
| Financial Assistance                | 8,850                   | -                       | 42                | 4,116                | -                | -                           | 13,008              |
| Occupancy - Rent                    | 12,037                  | -                       | -                 | 2,931                | -                | -                           | 14,968              |
| Professional Fees                   | 22,016                  | -                       | 8,002             | -                    | -                | 80,506                      | 110,523             |
| Computer Support                    | 16,002                  | 655                     | -                 | 3,135                | 1,763            | 1,843                       | 23,398              |
| Community Development               | -                       | -                       | -                 | 40                   | -                | 733                         | 773                 |
| Credit Card & Other Service Charges | 1,577                   | -                       | -                 | -                    | 349              | 464                         | 2,389               |
| Depreciation                        | 49,070                  | -                       | -                 | -                    | -                | -                           | 49,070              |
| Dues & Subscriptions                | 1,368                   | -                       | -                 | -                    | -                | 130                         | 1,498               |
| Equipment Rental                    | 6,649                   | -                       | -                 | -                    | -                | 4,978                       | 11,627              |
| Fundraising                         | -                       | -                       | -                 | -                    | 22,178           | -                           | 22,178              |
| Insurance                           | 58,886                  | -                       | -                 | -                    | -                | 6,372                       | 65,258              |
| Interest Expenses                   | 9,981                   | -                       | -                 | -                    | -                | -                           | 9,981               |
| Office Supplies                     | 5,224                   | 90                      | -                 | 10                   | -                | 3,711                       | 9,035               |
| Other Expenses                      | 1,216                   | 50                      | -                 | 238                  | 134              | 140                         | 1,778               |
| Postage & Delivery                  | 3                       | -                       | -                 | -                    | 10               | 4                           | 17                  |
| Property Taxes                      | 15,230                  | -                       | -                 | 3,709                | -                | -                           | 18,939              |
| Repairs & Maintenance               | 23,543                  | -                       | -                 | -                    | -                | 964                         | 24,507              |
| Security-Contract Labor             | 15,545                  | -                       | -                 | -                    | -                | -                           | 15,545              |
| Telephone                           | 17,446                  | -                       | -                 | 2,069                | -                | 4,872                       | 24,387              |
| Travel Expenses                     | 544                     | 48                      | -                 | 168                  | 13               | 8                           | 781                 |
| Utilities                           | 19,172                  | -                       | -                 | 1,348                | -                | 16,733                      | 37,253              |
|                                     | <u>\$ 1,008,807</u>     | <u>\$ 11,383</u>        | <u>\$ 69,731</u>  | <u>\$ 74,629</u>     | <u>\$ 40,379</u> | <u>\$ 171,625</u>           | <u>\$ 1,376,554</u> |



IRIS DOMESTIC VIOLENCE CENTER  
Baton Rouge, Louisiana

STATEMENT OF FUNCTIONAL EXPENSES  
(See Notes to Financial Statements)  
For the Year Ended December 31, 2018

|                                     | Program Services        |                         |                   |                      | Fundraising      | General &<br>Administrative | Total<br>Expense    |
|-------------------------------------|-------------------------|-------------------------|-------------------|----------------------|------------------|-----------------------------|---------------------|
|                                     | Residential<br>Services | Education &<br>Training | Legal<br>Services | Outreach<br>Services |                  |                             |                     |
| Salaries                            | \$ 160,510              | \$ 2,416                | \$ 8,638          | \$ 13,980            | \$ 4,261         | \$ 23,268                   | \$ 213,074          |
| Hourly Wages                        | 407,466                 | 7,330                   | 12,233            | 38,437               | 9,499            | -                           | 474,965             |
| Contract Attorneys                  | 74,355                  | -                       | 42,606            | -                    | -                | -                           | 116,961             |
| Employee Benefits                   | 31,617                  | 134                     | -                 | 1,093                | 1,420            | 36,728                      | 70,992              |
| Payroll Taxes                       | 49,281                  | 590                     | 1,362             | 3,372                | 1,149            | 1,704                       | 57,459              |
| Supplies                            | 8,236                   | -                       | -                 | 3                    | -                | 78                          | 8,318               |
| Financial Assistance                | 11,060                  | -                       | 179               | 4,162                | -                | -                           | 15,400              |
| Occupancy - Rent                    | 9,650                   | -                       | -                 | 2,350                | -                | -                           | 12,000              |
| Professional Fees                   | 24,958                  | -                       | 9,071             | -                    | -                | 91,264                      | 125,293             |
| Computer Support                    | 5,572                   | 228                     | -                 | 1,092                | 614              | 642                         | 8,147               |
| Community Development               | -                       | -                       | -                 | 32                   | -                | 589                         | 621                 |
| Credit Card & Other Service Charges | 2,754                   | -                       | -                 | -                    | 609              | 809                         | 4,172               |
| Depreciation                        | 53,958                  | -                       | -                 | -                    | -                | -                           | 53,958              |
| Dues & Subscriptions                | 1,493                   | -                       | -                 | -                    | -                | 142                         | 1,635               |
| Equipment Rental                    | 4,280                   | -                       | -                 | -                    | -                | 3,205                       | 7,485               |
| Fundraising                         | -                       | -                       | -                 | -                    | 4,680            | -                           | 4,680               |
| Insurance                           | 42,682                  | -                       | -                 | -                    | -                | 4,619                       | 47,301              |
| Interest Expenses                   | 4,257                   | -                       | -                 | -                    | -                | -                           | 4,257               |
| Office Supplies                     | 3,836                   | 66                      | -                 | 7                    | -                | 2,724                       | 6,634               |
| Other Expenses                      | 5,315                   | 217                     | -                 | 1,041                | 586              | 612                         | 7,772               |
| Postage & Delivery                  | 99                      | -                       | -                 | -                    | 359              | 127                         | 585                 |
| Repairs & Maintenance               | 22,540                  | -                       | -                 | -                    | -                | 923                         | 23,463              |
| Security-Contract Labor             | -                       | -                       | -                 | -                    | -                | -                           | -                   |
| Telephone                           | 18,095                  | -                       | -                 | 2,146                | -                | 5,053                       | 25,295              |
| Travel Expenses                     | 628                     | 56                      | -                 | 194                  | 15               | 9                           | 902                 |
| Utilities                           | 16,366                  | -                       | -                 | 1,152                | -                | 14,284                      | 31,802              |
|                                     | <u>\$ 959,007</u>       | <u>\$ 11,038</u>        | <u>\$ 74,090</u>  | <u>\$ 69,062</u>     | <u>\$ 23,192</u> | <u>\$ 186,781</u>           | <u>\$ 1,323,171</u> |

IRIS DOMESTIC VIOLENCE CENTER  
Baton Rouge, Louisiana

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
(See Notes to Financial Statements)  
For the Years Ended December 2019 and 2018

|  | 2019            | 2018           |
|--|-----------------|----------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                                     |                 |                |
| Change in Net Assets   | \$ 1,239,036    | \$ (223,363)   |
| Adjustments to Reconcile Change in Net Assets to Net Cash                      |                 |                |
| Depreciation   | 49,069          | 53,958         |
| Receipt of Donated Property Included in Revenues<br>Without Donor Restrictions | (1,190,000)     | -              |
| Decrease (Increase) in Assets:   |                 |                |
| Grants Receivable  | (34,966)        | 158,009        |
| Other Receivables  | (2,390)         | -              |
| Prepaid Expenses   | (5,345)         | (6,846)        |
| Deposits   | (2,561)         | -              |
| Increase (Decrease) in Liabilities:  |                 |                |
| Accounts Payable   | 18,863          | (11,532)       |
| Accrued Expenses and Payroll Liabilities                                       | (14,806)        | 30,978         |
| Other Liabilities  | -               | 37,134         |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>                               | <b>56,900</b>   | <b>38,338</b>  |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                                     |                 |                |
| Purchase of Property and Equipment   | -               | (9,473)        |
| Building Improvements  | (12,113)        | -              |
| <b>NET CASH USED BY INVESTING ACTIVITIES</b>                                   | <b>(12,113)</b> | <b>(9,473)</b> |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                                     |                 |                |
| Receipts from Line of Credit   | 5,150           | 100,000        |
| <b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>                               | <b>5,150</b>    | <b>100,000</b> |
| Net Increase in Cash and Cash Equivalents                                      | 49,937          | 128,865        |
| Cash and Cash Equivalents at Beginning of Year                                 | 214,029         | 85,164         |
| Cash and Cash Equivalents at End of Year                                       | \$ 263,966      | \$ 214,029     |

IRIS DOMESTIC VIOLENCE CENTER  
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019 and 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations – Iris Domestic Violence Center is a Louisiana non-profit agency incorporated in 1984 to administer programs to assist battered women and their children in the Baton Rouge area and six other surrounding parishes. Such programs include a 24-hour hotline, counseling, advocacy, education, training, legal, and temporary emergency shelter. Iris Domestic Violence Center is supported by primarily through donor contributions, Federal, State, and Local grants and contracts, and contributions from the Capital Area United Way.

Basis of Accounting – Iris Domestic Violence Center prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United State of America. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Basis of Financial Statement Presentation – Iris Domestic Violence Center reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates that resources be maintained in perpetuity. Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of Iris Domestic Violence Center, the environment in which it operates, the purposes specified in corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Iris Domestic Violence Center has both net assets without donor restrictions and net assets with donor restrictions as of December 31, 2019 and 2018.

Revenue Recognition – Revenue is recognized when earned. Grants, program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. There were no conditional promises for the years ended December 31, 2019 and 2018.

Revenue With and Without Donor Restrictions – Contributions received are recorded as increases in net assets without donor restrictions and net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Concentration of Credit Risk – With regard to receivables, credit risk is limited because the majority of Iris Domestic Violence Center's receivables consist of grants related to other governmental entities. Generally, Iris Domestic Violence Center does not require collateral or other securities to support its accounts receivable.

IRIS DOMESTIC VIOLENCE CENTER  
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019 and 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results differ from those estimates. Estimates are used primarily when accounting for depreciation.

Cash and Cash Equivalents – For purposes of the Statement of Cash Flows, Iris Domestic Violence Center considers all highly liquid investments, both with and without donor restrictions, with a maturity of three months or less to be cash equivalents.

Grants Receivable – Management believes that grants receivable as reflected in the accompanying financial statements are collectible in full therefore no allowance has been recorded at December 31, 2019 and 2018. Iris Domestic Violence Center evaluates the collectability of its grants receivable on an individual claim basis.

Prepaid Expenses – Iris Domestic Violence Center records insurance and similar services which extend over more than one fiscal year as prepaid expenses.

Property and Equipment – Iris Domestic Violence Center's policy is to capitalize property and equipment greater than \$500. Lesser amounts are expensed and maintenance and repairs are charged against earnings when incurred. Property and equipment purchased by the Organization is recorded at cost at the date of acquisition. Depreciation is provided over the estimated useful lives of the respective assets on a straight line basis.

Donated Property and Equipment – Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. During the current year ended December 31, 2019, Iris Domestic Violence Center received donated property with a fair value of \$1,900,000.

Functional Allocation of Expenses – The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Tax Status – Iris Domestic Violence Center is organized as a non-profit organization that is exempt from taxes under Section 501(c)(3) of the Internal Revenue Code. Iris Domestic Violence Center follows the provisions of FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Management believes that it has no material uncertain tax positions and, accordingly, has not recognized a liability for any tax obligations.

Donated Services – No amounts have been reflected in the financial statements for donated services. Iris Domestic Violence Center generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the entity with assistance programs.

IRIS DOMESTIC VIOLENCE CENTER  
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019 and 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising – Iris Domestic Violence Center follows the policy of charging the costs of advertising to expense as incurred. There was no advertising expense incurred for the years ended December 31, 2019 and 2018, respectively.

NOTE 2: GRANTS RECEIVABLE

Grants receivable at December 31, were as follows:

|   | <u>2019</u>              | <u>2018</u>              |
|---|--------------------------|--------------------------|
| Department of Children & Family Services Grant    | \$ 72,915                | \$ 96,801                |
| Civil and Marriage Fees                           | -                        | 12,051                   |
| La Commission of Law Enforcement & Administration | <u>140,972</u>           | <u>70,069</u>            |
| <b>TOTAL</b>                                      | <b><u>\$ 213,887</u></b> | <b><u>\$ 178,921</u></b> |

NOTE 3: COMPENSATED ABSENCES

As of December 31, 2019 and 2018, Iris Domestic Violence Center's accumulated paid time off (PTO) was \$14,271 and \$14,154, respectively, which is classified as accrued payroll liabilities.

NOTE 4: RETIREMENT PLAN

Iris Domestic Violence Center provides a 403(b) Thrift Plan to employees completing twelve months of employment and 1,000 service hours. The employee can make voluntary pre-tax contributions from their salary. The employer matches contributions up to six percent of the employee's compensation. During the fiscal years ending December 31, 2019 and 2018, Iris Domestic Violence Center contributed \$12,112 and \$9,983, respectively, to the Plan.

NOTE 5: LINE OF CREDIT

Iris Domestic Violence Center has a revolving line of credit for up to \$105,000 that is due on demand. The line of credit had an outstanding balance at December 31, 2019 and 2018 of \$105,150 and \$100,000, respectively. Interest on the line of credit is payable monthly and carries a rate of 2% over prime (4.75% at December 31, 2019).

NOTE 6: CONCENTRATIONS OF CREDIT RISK

Iris Domestic Violence Center may be subject to credit risk to its cash and cash equivalents investments, which are placed with financial institutions. The Federal Deposit Insurance Corporation ("FDIC") insures up to \$250,000 for substantially all depository accounts. From time to time, Iris Domestic Violence Center may have amounts on deposit in excess of FDIC limits.

IRIS DOMESTIC VIOLENCE CENTER  
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019 and 2018

NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes at December 31:

|                              | <u>2019</u>             | <u>2018</u>              |
|------------------------------|-------------------------|--------------------------|
| Verizon Foundation-Kids Zone | -                       | 5,814                    |
| WEMT Grant                   | -                       | 10,000                   |
| Wilson Foundation Grant      | <u>91,961</u>           | <u>91,961</u>            |
| <b>TOTAL</b>                 | <b><u>\$ 91,961</u></b> | <b><u>\$ 107,775</u></b> |

Net assets released from restrictions during the year ended December 31, 2019 and 2018 were as follows:

|                              | <u>2019</u>             | <u>2018</u>             |
|------------------------------|-------------------------|-------------------------|
| Red Cross Foundation         | \$ -                    | \$ 50,597               |
| Verizon Foundation-Kids Zone | 5,814                   | -                       |
| WEMT Grant                   | <u>10,000</u>           | <u>31,200</u>           |
| <b>TOTAL</b>                 | <b><u>\$ 15,814</u></b> | <b><u>\$ 81,797</u></b> |

NOTE 8: CONCENTRATION OF SUPPORT

Iris Domestic Violence Center receives the majority of its funds through government grants and contracts. For the years ended December 31, 2019 and 2018, Iris Domestic Violence Center received approximately 22% and 28%, respectively, of its revenues from state and local government grants and contracts, and 46% and 40%, respectively, from federal government grants and contracts.

NOTE 9: CONTINGENCIES

Iris Domestic Violence Center receives the majority of its revenues from governmental grants and contracts, all of which are subject to audit by the government. The ultimate determination of amounts received under these programs generally is based upon allowable costs reported to and are subject to audit by the government. Until such audits, if any, there exists a contingency to refund any amount received in excess of allowable cost. Management is of the opinion that no material liability will result from such audits.

NOTE 10: INCOME TAXES

In 2009, Iris Domestic Violence Center adopted the recent accounting guidance related to accounting for uncertainty in income taxes, which sets out a consistent framework to determine the appropriate level of tax reserves to maintain for uncertain tax positions. Iris Domestic Violence Center's administration recognizes the effect of income tax positions only if the positions are more likely than not of being sustained. Recognized income tax positions are recorded at the largest amount that is greater than 50% likely of being realized. Changes in the recognition or measurement are reflected in the period in which the change in judgment occurs. The entity's administration has evaluated its position regarding the accounting for uncertain income tax positions and does not believe that it has any uncertain tax positions. With few exceptions, Iris Domestic Violence Center is no longer subject to federal, state, or local tax examinations by tax authorities for years before 2016.

IRIS DOMESTIC VIOLENCE CENTER  
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019 and 2018

**NOTE 11: OPERATING LEASES**

In 2018 Iris Domestic Violence Center entered into a 5 year lease for the use of a copy machine. The lease requires monthly payments of \$659 plus charges for usage of the copier. For the years ended December 31, 2019 and 2018 rent expense was \$11,627 and \$7,485, respectively. Future minimum lease payments are \$7,908 for 2020, 2021, 2022 and \$3,954 for 2023.

Iris Domestic Violence Center has a month to month lease for office space in Ascension parish. The lease requires monthly payments of \$650 per month. Rent expense was \$7,800 for December 31, 2019 and 2018.

Iris Domestic Violence Center has a month to month lease for office space in Iberville parish. The lease requires monthly payments of \$350 per month. Rent expense was \$4,200 for December 31, 2019 and 2018.

**NOTE 12: RISK MANAGEMENT**

Iris Domestic Violence Center is exposed to various risks of loss related to the areas of employee injuries and illness, damage to and destruction of assets, errors and omissions, and unemployment compensation. To handle such risk of loss, Iris Domestic Violence Center maintains commercial insurance policies covering its real and personal property, automobiles, general liability, professional liability, group health and unemployment compensation through individually purchased policies. There have been no significant reductions in the insurance coverage during the year.

**NOTE 13: CHANGE IN ACCOUNTING PRINCIPLE**

In August 2016, the FASB issued Accounting Standards Update (ASU) 2016-14, Not for Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The ASU addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, the lack of consistency in the type of information provided about expenses and investment return. The Organization has implemented ASU 2016-14 and has presented the financial statements accordingly.

**NOTE 14: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Iris Domestic Violence Center's financial assets as of the statement of financial position date, reduced by any amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations.

|  | <u>2019</u>       | <u>2019</u>       |
|--|-------------------|-------------------|
| Current Assets, excluding nonfinancial assets  | \$ 480,243        | \$ 392,950        |
| Less those unavailable for general expenditures within one year:                       |                   |                   |
| Donor restrictions for specific purposes   | <u>(91,961)</u>   | <u>(107,775)</u>  |
| Financial Assets available to meet cash needs for General expenditures within one year | <u>\$ 388,282</u> | <u>\$ 285,175</u> |

IRIS DOMESTIC VIOLENCE CENTER  
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS  
December 31, 2019 and 2018

NOTE 15: SUBSEQUENT EVENTS

Management has evaluated all subsequent events through July 28, 2020, the date the financial statements were available to be issued. Management noted no subsequent events that required adjustment to, or disclosure in, these financial statements.

Iris Domestic Violence Center's operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on the Iris Domestic Violence Center's financial position, operations and cash flows. Possible effects may include, but are not limited to, disruption to the Iris Domestic Violence Center's revenues workforce.

Subsequent to year end, Iris Domestic Violence Center was granted a loan (the "Loan") in the aggregate amount of \$149,700, pursuant to the Paycheck Protection Program under Division A, Title I of the CARES Act which was enacted March 27, 2020. The Loan, which was in the form of a note dated May 10, 2020 issued by the Borrower, matures on December 31, 2020 and bears interest at a rate of 0.98% per annum, payable monthly. The note may be prepaid by the borrower at any time prior to maturity with no prepayment penalties. Funds from the loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before 24 weeks after the initial funding date. Iris Domestic Violence Center intends to use the entire loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.



IRIS DOMESTIC VIOLENCE CENTER  
Baton Rouge, LouisianaSCHEDULE OF COMPENSATION, BENEFITS & OTHER  
PAYMENTS TO AGENCY HEAD  
For the Year Ended December 31, 2019

Agency/Title: John Price, Executive Director

**Purpose****Amount**

Salary

\$ 87,646

Benefits - Retirement

3,087

Reimbursements

653

TOTAL COMPENSATION, BENEFITS AND OTHER PAYMENTS

\$ 91,386



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  
Iris Domestic Violence Center

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Iris Domestic Violence Center (a not for profit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 28, 2020.

### Internal Control over Financial Reporting

In planning and performing our audit, we considered Iris Domestic Violence Center'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 Iris Domestic Violence Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Iris Domestic Violence Center'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 over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Iris Domestic Violence Center's financial statements are free of 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.

CPAs & Financial Advisors  
Baton Rouge, Louisiana  
June 28, 2020

IRIS DOMESTIC VIOLENCE CENTER  
Baton Rouge, Louisiana

SUMMARY OF FINDINGS AND RESPONSES  
Year Ended December 31, 2019

NO FINDINGS NOTED

SUMMARY OF PRIOR YEAR FINDINGS AND RESPONSES  
Year Ended December 31, 2018

NO FINDINGS NOTED

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of Iris Domestic Violence Center and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Iris Domestic Violence Center (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

**Written Policies and Procedures – Procedures A through J were not tested in the current year due to no exceptions noted in the prior year.**

1. Obtain and inspect the entity's written policies and procedures and observe that 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
  - 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.
  - c) Disbursements, including processing, reviewing, and approving
  - 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).
  - e) Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
  - 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
  - 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)
- h) Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
  - i) Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
  - j) Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
  - k) 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.

***No Exceptions Noted.***

***Board or Finance Committee – This entire section was not tested in the current year due to no exceptions noted in the prior year.***

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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.
  - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.
  - 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.

**Bank Reconciliations - *This entire section was not tested in the current year due to no exceptions noted in the prior year.***

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

**Collections (excluding EFTs) - *This entire section was not tested in the current year due to no exceptions noted in the prior year.***

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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).
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) Employees that are responsible for cash collections do not share cash drawers/registers.
  - 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.
  - 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.
  - 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.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
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.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- 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).
- e) Trace the actual deposit per the bank statement to the general ledger.

**Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases) - *This entire section was not tested in the current year due to no exceptions noted in the prior year.***

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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).
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.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - 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.
  - 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.
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 invoice/billing statement.
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

## 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.

*No Exceptions Noted.*

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:

- a) 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.

*Exceptions:* The monthly statement did not show evidence of review and approval in writing by someone other than the authorized card holder.

- 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 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.

*Exceptions:* One of the ten transaction tested was missing an itemized receipt.

## **Travel and Travel-Related Expense Reimbursements (excluding card transactions) - *This entire section was not tested in the current year due to no exceptions noted in the prior year.***

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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:



- a) 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)).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) 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).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

***Contracts- This entire section was not tested in the current year due to no exceptions noted in the prior year.***

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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:
  - 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.
  - 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).
  - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
  - 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.

***Payroll and Personnel- This entire section was not tested in the current year due to no exceptions noted in the prior year.***

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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.
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.)
- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

***Ethics - Entire section not applicable to not for profits.***

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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 that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

***Debt Service- Entire section not applicable to not for profits.***

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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 that State Bond Commission approval was obtained for each bond/note issued.
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).

***Other***

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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.

*No Exceptions 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.*

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

The purpose of this report is 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.

TWRU

CPAs & Financial Advisors  
Baton Rouge, Louisiana  
July 28, 2020