

**INSTITUTE OF WOMEN & ETHNIC STUDIES**

**Financial and Compliance Audit Together with  
Independent Auditors' Report**

**For the Year Ended December 31, 2020**

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## **INDEPENDENT AUDITORS' REPORT**

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

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

We have audited the accompanying financial statements of the **Institute of Women & Ethnic Studies (IWES)** (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

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

### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of

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

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **IWES** as of December 31, 2020, 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.

## **Other Matters**

### *Other Information*

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2022, on our consideration of the **IWES**' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the **IWES**' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the **IWES**' internal control over financial reporting and compliance.

*Bruno & Tervalon LLP*

New Orleans, Louisiana  
February 28, 2022

## **BASIC FINANCIAL STATEMENTS**

**INSTITUTE OF WOMEN & ETHNIC STUDIES**

**STATEMENT OF FINANCIAL POSITION**

December 31, 2020

**ASSETS**

**Assets:**

Cash and cash equivalents (NOTES 2 and 4)	\$ 2,707,512
Investments (NOTES 14 and 15)	428,152
Grants receivable (NOTE 5)	250,569
Unconditional promises to give (NOTE 6)	632,970
Prepaid expenses	30,621
Other assets	23,425
Furniture and equipment (NOTE 7)	23,031
	<u>4,096,280</u>

**TOTAL ASSETS** **\$ 4,096,280**

**LIABILITIES AND NET ASSETS**

**Liabilities:**

Accounts payable and accrued expenses	\$ 249,091
Accrued annual leave payable (NOTE 8)	170,128
Amounts due grantor	4,994
Deferred revenue (NOTE 13)	404,305
Note payable (NOTE 12)	<u>486,175</u>
Total Liabilities	<u>1,314,693</u>

**Net Assets:**

Without donor restrictions	(252,602)
With donor restrictions	<u>3,034,189</u>
Total Net Assets	<u>2,781,587</u>

**TOTAL LIABILITIES AND NET ASSETS** **\$ 4,096,280**

The accompanying notes are an integral part of these financial statements

# INSTITUTE OF WOMEN & ETHNIC STUDIES

## STATEMENT OF ACTIVITIES

Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and Revenues</b>			
Federal grants (NOTES 2 and 11)	\$ 2,172,826	\$ -	\$ 2,172,826
Private grants (NOTES 2 and 11)	-	658,882	658,882
Contract income	489,556	-	489,556
Contributions and donations	17,312	-	17,312
Other income	45,783	-	45,783
Net assets released from restrictions:			
Satisfaction of program restrictions (NOTE 10)	1,104,937	(1,104,937)	-
Total Revenues and Support	3,830,414	(446,055)	3,384,359
<b>Expenses</b>			
Program services	3,608,798	-	3,608,798
Supporting services:			
Fundraising	230,382	-	230,382
Management and general	489,049	-	489,049
Total Expenses	4,328,229	-	4,328,229
<b>Change in Net Assets</b>	(497,815)	(446,055)	(943,870)
Net assets, beginning of year as restated	245,213	3,480,244	3,725,457
Net Assets, end of year	\$ (252,602)	\$ 3,034,189	\$ 2,781,587

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

**INSTITUTE OF WOMEN & ETHNIC STUDIES**

**STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended December 31, 2020

	<b>Program Services</b>	<b>Supporting Services</b>		<b>Total</b>
		<b>Fundraising</b>	<b>Management &amp; General</b>	
Salaries and wages	\$ 2,291,432	\$ 173,190	\$ 199,835	\$ 2,664,457
Fringe benefits	439,804	33,241	38,355	511,400
Occupancy	152,749	11,545	20,813	185,107
Supplies	43,762	3,309	3,172	50,243
Printing and reproduction	3,580	642	-	4,222
Travel, meetings, and conferences	70,820	5,353	9,686	85,859
Purchased services	43,178	3,012	4,016	50,206
Stipends and incentives	64,288	-	-	64,288
Contractual services	497,997	-	197,276	695,273
Other expenses	-	-	4,744	4,744
Depreciation	1,188	90	11,152	12,430
<b>Total</b>	<b>\$ 3,608,798</b>	<b>\$ 230,382</b>	<b>\$ 489,049</b>	<b>\$ 4,328,229</b>

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

**INSTITUTE OF WOMEN & ETHNIC STUDIES**

**STATEMENT OF CASH FLOWS**

Year Ended December 31, 2020

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets	\$ (943,870)
Adjustment to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	12,430
Adjustment to beginning net assets	(100,000)
Decrease in accounts receivable	69,190
Decrease in grants receivable	386,825
Decrease in unconditional promises to give	217,030
Increase in prepaid expenses	(17,259)
Increase in other assets	(1)
Increase in accounts payable and accrued expenses	149,398
Increase in accrued annual leave payable	40,183
Decrease in amounts due to grantor	(6,254)
Increase in deferred revenue	<u>225,116</u>
Net cash provided by operating activities	<u>32,788</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Proceeds from investment dispositions	<u>125,908</u>
Net cash provided by investing activities	<u>125,908</u>

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Proceeds from note payable	<u>486,175</u>
Net cash provided by financing activities	<u>486,175</u>

Net increase in cash and cash equivalent	644,871
Cash and cash equivalents, beginning of year	<u>2,062,641</u>
Cash and cash equivalents, end of year	<u><u>\$ 2,707,512</u></u>

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

# INSTITUTE OF WOMEN & ETHNIC STUDIES

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2020

### NOTE 1 – NATURE OF OPERATIONS

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

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

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

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

- **Resilience** - community-level, non-clinical approaches to equitable recovery, healing, and resilience of vulnerable populations through community-wide healing events, documenting stories of struggle and survival, collaborations to develop trauma-informed approaches and community-driven, participatory research.
- **Emotional/Physical Well-Being** - engaging community members in activities and events focused on addressing emotional well-being, overall physical and psychological health.
- **Youth Development** - providing opportunities for youth to develop and enhance leadership, advocacy, technical and job training skills, through trauma-informed approaches.
- **Sexual Health** - providing comprehensive sexual health education, HIV and teen pregnancy prevention education, advocacy and outreach using social media, peer and community engagement.

# INSTITUTE OF WOMEN & ETHNIC STUDIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended December 31, 2020

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Accounting

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

#### Basis of Reporting

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

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

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

# INSTITUTE OF WOMEN & ETHNIC STUDIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended December 31, 2020

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

#### Property and Equipment

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

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

#### Revenue Recognition

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

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

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

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

# INSTITUTE OF WOMEN & ETHNIC STUDIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended December 31, 2020

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

#### Investments

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

#### Functional Allocation of Expenses

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

#### Statement of Cash Flows

For purposes of the statement of cash flows, **IWES** considers all highly liquid investments with original maturities of three months or less that are not restricted for specific purposes to be cash equivalents. On December 31, 2020, **IWES** had cash equivalents of \$1,601,837 included in its investment portfolio.

#### Income Taxes

**IWES** is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. Therefore, no provision for income taxes is made in the accompanying financial statements. Should **IWES**' tax-exempt status be challenged in the future, **IWES**' 2018, 2019 and 2020 tax years are open for examination by the Internal Revenue Service.

# INSTITUTE OF WOMEN & ETHNIC STUDIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended December 31, 2020

### NOTE 3 – ECONOMIC DEPENDENCY

In 2020, approximately 64% of **IWES**' revenue was derived from a direct, multi-year federal award from the U.S. Department of Health and Human Services. **IWES**' ability to continue as a going concern is dependent upon the renewal of grants and contributions from current funding sources as well as obtaining new funding.

### NOTE 4 - CONCENTRATION OF CREDIT RISK

**IWES** maintains noninterest-bearing and low-interest-bearing accounts at four financial institutions. The Federal Deposit Insurance Coverage ("FDIC") provides up to \$250,000 of deposit insurance coverage per depositor per financial institution. On December 31, 2020, **IWES**' had \$656,496 of funds on deposit with the various financial institutions that exceeded available FDIC. It is the opinion of management that the solvency of the referenced financial institutions is not of particular concern at this time.

### NOTE 5 – GRANTS RECEIVABLE

On December 31, 2020, grants receivable consists of the following:

<u>Non-Federal</u>	
Metropolitan Health Services	\$ 114,441
City of New Orleans	15,000
New Orleans Family Justice Center	6,250
Louisiana Office of Public Health	<u>3,000</u>
Total	<u>138,691</u>
<u>Federal</u>	
U.S. Department of Health and Human Services	<u>111,878</u>
Sub-total	<u>111,878</u>
Total	<u>\$ 250,569</u>

# INSTITUTE OF WOMEN & ETHNIC STUDIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended December 31, 2020

### NOTE 6 – UNCONDITIONAL PROMISES TO GIVE

On December 31, 2020, **IWES**' unconditional promises to give are as follows:

Nonprofit organizations	\$ 20,000
Private foundations and trusts	543,495
Colleges and universities	<u>69,475</u>
Total	<u>\$ 632,970</u>

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

Receivables in less than one (1) year	\$ 507,970
Receivables in one (1) to three (3) years	<u>125,000</u>
Total	<u>\$ 632,970</u>

### NOTE 7 – FURNITURE AND EQUIPMENT

On December 31, 2020 furniture and equipment and related depreciation consist of the following:

Furniture and equipment	\$ 44,717
Less accumulated depreciation	<u>(21,686)</u>
Total	<u>\$ 23,031</u>

### NOTE 8 – ACCRUED ANNUAL LEAVE PAYABLE

**IWES** records annual leave earned but not used by employees in the period in which the leave is earned. On December 31, 2020, accrued leave totaled approximately \$170,128 and represented 3,123 hours of unused vacation time.

# INSTITUTE OF WOMEN & ETHNIC STUDIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended December 31, 2020

### NOTE 9 – DONOR RESTRICTED NET ASSETS

As of December 31, 2020, donor restricted net assets are available for the following programs:

David and Lucille Packard Foundation:	
Creating a Future Together	\$ 332,551
NOW LOVE	114,659
Global Early Adolescent Study	973,810
Improve Childhood and Family Outcomes	445
W.K. Kellogg Foundation:	
Wellness Evaluation Community Action Network	172,196
Compassionate and Restorative Engagement	14,288
Health Birth Outcomes New Orleans	307,263
The Grove Foundation:	
Working to Institutionalize Sex Education	65,002
Annie E. Casey Foundation:	
Family Centered Community Change	11,643
Texas A&M University:	
Itp3 Design Cadr	20,654
United Way of Greater New Orleans:	
Creating a Trauma Informed NOLA	37,032
Merck, Shape & Dohme Corporation:	
New Orleans Respectful Motherhood Initiative	351,748
ViiV Healthcare:	
Support for the Out of the Shadows Programs	99,898
Foundation Chanel, Inc.:	
Safer Childbirth Cities Initiative	453,199
Rockefeller Philanthropic Advisors:	
State Organization Leadership Academy Roundtable	3,670
Greater New Orleans Foundation:	
Creating A Truer Self	19,748
We can 2 Supplement	8,675
Baptist Community Ministries:	
Trauma Informed Care	10,782
Innovation Next:	
Power to Decide	30,449

**INSTITUTE OF WOMEN & ETHNIC STUDIES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the Year Ended December 31, 2020

**NOTE 9 – DONOR RESTRICTED NET ASSETS, CONTINUED**

The Aids Institute:	
Win Micro - Grant	4,000
Visionary Justice Story Lab:	
GRRRL Justice Project	1,500
Other	<u>977</u>
Total	<u><u>\$3,034,189</u></u>

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# INSTITUTE OF WOMEN & ETHNIC STUDIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended December 31, 2020

### NOTE 10 – NET ASSETS RELEASED FROM RESTRICTION

Net assets were released from donor restrictions during the year ended December 31, 2020, by incurring expenses satisfying purpose restrictions as follows:

David and Lucille Packard Foundation:	
Creating a Future Together	\$ 127,613
NOW LOVE	28,020
Global Early Adolescent Study	462,159
Improve Childhood and Family Outcomes	15,892
W.K. Kellogg Foundation:	
Wellness Evaluation Community Action Network	197,202
Health Birth Outcomes New Orleans	82,760
The Grove Foundation:	
Working to Institutionalize Sex Education	23,823
Rockefeller Philanthropic Advisor	
Resilience Initiative	2,372
Texas A&M University:	
Itp3 Design Cadr	6,690
United Way of Greater New Orleans:	
Creating a Trauma Informed NOLA	35,131
Merck, Shape & Dohme Corporation:	
New Orleans Respectful Motherhood Intitative	<u>123,185</u>
Total	<u>\$ 1,104,847</u>

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# INSTITUTE OF WOMEN & ETHNIC STUDIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended December 31, 2020

### NOTE 11 – GRANT REVENUE

Grant revenue consisted of the following sources for the year ended year ended December 31, 2020:

#### Federal Grants

U.S. Department of Health and Human Services:	
Office of Assistant Secretary of Health	\$ 1,871,344
Centers for Disease Control	<u>301,482</u>
Total federal grants	<u>\$ 2,172,826</u>

#### Private Grants

W. K. Kellogg Foundation	\$ 456,750
Visionary Justice Story	1,500
David & Lucille Packard Foundation	135,000
Merek, Sharp & Dohme Corporation	21,632
United Way of Greater New Orleans	40,000
The Aids Institute	<u>4,000</u>
Total private grants	<u>\$ 658,882</u>

### NOTE 12 – NOTE PAYABLE

Note payable consist of a note payable to a bank dated April 21, 2020, in the amount of \$486,175 at a rate of .98% per annum maturing twenty-four months from the date of the note. No payments are due during “Deferral Period” which is a six (6) month period beginning the date of the note. Commencing one month after the expiration of the deferral period, monthly payments of principal and interest, each in such equal amount required to fully amortize the principal amount outstanding on the note on the last day of the deferral period by the maturity date. On the maturity date all unpaid principal plus accrued and unpaid interest accrued during the deferral period. This loan was made under the U.S. Small Business Association’s Paycheck Protection Program (PPP). Balance of the note payable on December 31, 2020, is \$486,175.

# INSTITUTE OF WOMEN & ETHNIC STUDIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended December 31, 2020

### NOTE 13 – DEFERRED REVENUE

As of December 31, 2020, deferred revenue primarily consists of amounts related to drawdowns of Federal funds that exceeded Federal expenditures for the applicable programs. On December 31, 2020, deferred revenue was \$404,305.

### NOTE 14 – INVESTMENTS

As of December 31, 2020, **IWES'** investments consist of fixed income investments with fair value of \$428,152. Investments are presented on the financial statements at fair value. Carrying value is estimated to approximate fair value.

### NOTE 15 – FAIR VALUE MEASUREMENTS

**IWES** reports fair value measures of its assets and liabilities using a three- level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The asset or liability's measurement within the fair value hierarchy is based on the lowest level of input that is significant to the measurement. The three levels of inputs used to measure fair value are as follows:

- *Level 1.* Quoted prices for identical assets or liabilities in active markets to which the organization has access at the measurement date.
- *Level 2.* Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include
  - quoted prices for similar assets or liabilities in active markets.
  - quoted prices for identical or similar assets in markets that are not active.
  - observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
  - inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- *Level 3.* Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value if observable inputs are not available.

# INSTITUTE OF WOMEN & ETHNIC STUDIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended December 31, 2020

### NOTE 15 – FAIR VALUE MEASUREMENTS, CONTINUED

When available, **IWES** measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value. However, level 1 inputs are not available for many of the assets and liabilities that **IWES** is required to measure at fair value (for example, unconditional promises to give and in-kind contribution).

The primary uses of fair value measures in **IWES**' financial statements are

- initial measurement of noncash gifts, including gifts of investment assets and unconditional promises to give.
- recurring measurement of short-term investments
- recurring measurement of endowment and long-term investments.

Fair value of assets measured on a recurring basis on December 31, 2020, are as follows:

#### FAIR VALUE MEASUREMENTS AT REPORTING DATE USING

	<u>Fair Value</u>	<u>Level 1 Inputs</u>
Fixed Income	<u>\$ 428,152</u>	<u>\$ 428,152</u>

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

### NOTE 16 – RETIREMENT PLAN

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

# INSTITUTE OF WOMEN & ETHNIC STUDIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended December 31, 2020

### NOTE 17 – OPERATING LEASES

**IWES** occupies office space under two (2) non-cancellable operating leases terminating on November 30, 2021, and November 30, 2024, respectively. The following is a schedule of future minimum lease payments under the above operating leases as of December 31, 2020:

<u>Year</u>	<u>Amount</u>
2021	\$ 171,017
2022	145,200
2023	145,200
2024	<u>133,100</u>
Total	<u>\$ 594,517</u>

Rent expense was \$174,298 for the year ended December 31, 2020.

### NOTE 18 – COMMITMENTS AND CONTINGENCIES

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

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

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

## INSTITUTE OF WOMEN & ETHNIC STUDIES

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended December 31, 2020

#### NOTE 19 – DATE OF MANAGEMENT’S REVIEW

**IWES** is required to evaluate events or transactions that may occur after the statement of financial position date for potential recognition or disclosure in the financial statements. Management has performed such an evaluation through February 28, 2022, the date the financial statements were available to be issued, and noted no subsequent events or transactions that occurred after the statement of financial position date requiring recognition or disclosure.

#### NOTE 20 – RELATED PARTY TRANSACTIONS

Included within salary expenses of **IWES** are expenses representing amounts paid for the year ended December 31, 2020, to the spouse and daughter of **IWES**’ Executive Director. The spouse and daughter of **IWES**’ Executive Director are employed as Chief Impact Officer and Director of Media and Communications, respectively.

#### NOTE 21 – RECENT ACCOUNTING PRONOUNCEMENTS

In February 2016, the FASB issued ASU 2016-02, *Conforming Amendments Related to Leases*. This ASU amends the codification regarding leases in order to increase transparency and comparability. The ASU requires organizations to recognize lease assets and liabilities on the statement of financial position and disclose key information about leasing arrangements. A lessee would recognize a liability to make lease payments and a right-of-use asset representing its right to use the leased asset for the lease term. The ASU is effective for annual periods beginning after December 15, 2020. Early adoption is permitted. **IWES** is evaluating the impact of this update on its financial statements.

#### NOTE 22 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

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

# INSTITUTE OF WOMEN & ETHNIC STUDIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended December 31, 2020

### NOTE 22 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS, CONTINUED

Financial assets at year end	\$ 3,907,325
Less those unavailable for general expenditures within one year due to:	
Amounts due to grantor	4,994
Annual leave payable	170,128
Donor-restricted net assets	<u>3,034,189</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 698,014</u>

### NOTE 23 – OTHER MATTERS

IWES' operations continue to 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 an adverse impact on IWES' subsequent financial statements. Possible effects may include, but not limited to, disruption of IWES' operations and related revenue, unavailable of products and supplies used in operations and possible decline in assets held by IWES', including property and equipment.

### NOTE 24 – RESTATEMENT OF BEGINNING NET ASSETS

The beginning net assets for the year ended December 31, 2020, were restated to properly reflect revenue and receivable amounts from grants.

Changes to net assets as a result of the above corrections are shown below.

	Without Donor Restrictions	With Donor Restrictions	Total
Originally stated at January 1, 2019	\$ 345,213	\$ 3,480,244	\$ 3,825,457
Grant revenue	(100,000)	-	(100,000)
As restated at January 1, 2019	<u>\$ 245,213</u>	<u>\$ 3,480,244</u>	<u>\$ 3,725,457</u>

**SUPPLEMENTARY INFORMATION**

**INSTITUTE OF WOMEN & ETHNIC STUDIES**

**SCHEDULE OF COMPENSATION, BENEFITS AND  
OTHER PAYMENTS TO CHIEF EXECUTIVE OFFICER  
For The Year Ended December 31, 2020**

Chief Executive Officer Name: Denese Shervington, MD, MPH

<u>Purpose</u>	<u>Public Funds</u>	<u>Private Funds</u>	<u>Total Amount</u>
Salary	\$ 216,607	\$ 14,497	\$ 231,104
Benefits - insurance	7,829	524	8,353
Benefits - retirement	-	-	-
Benefits - parking	-	-	-
Car allowance	-	-	-
Vehicle provided by government	-	-	-
Per diem	-	-	-
Reimbursements	-	-	-
Travel	-	-	-
Registration fees	-	-	-
Conference travel	1,723	3,123	4,846
Continuing professional education fees	-	-	-
Housing	-	-	-
Unvouchered expenses	-	-	-
Special meals	-	-	-
	<u>\$ 226,159</u>	<u>\$ 18,144</u>	<u>\$ 244,303</u>

See the Independent Auditors' Report

**INSTITUTE OF WOMEN & ETHNIC STUDIES**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2020**

<u>Federal Grantor/Program Name</u>	<u>Federal CFDA/ Grant Number</u>	<u>Federal Expenditures</u>
<b><u>U.S. Department of Health and Human Services</u></b>		
<i>Direct Awards</i>		
Public Health Service - Office of Assistant Secretary of Health (OASH) Office of Grants Management - Believe in Youth! Louisiana Teen Pregnancy Prevention Program	93.297	\$ 1,033,376
Health Resources and Services Administration - Special Projects of National Significance	93.928	31,664
Centers for Disease Control and Prevention - Office of Financial Resources - Comprehensive High Impact HIV Prevention Projects for Community Based Organizations	93.939	301,482
Public Health Service - Office of Assistant Secretary of Health (OASH) Office of Grants Management - Preventing HIV Infection in Women through Expanded Intimate Partner Violence Prevention, Screening and Response Services Program	93.088	806,304
Total U.S. Department of Health and Human Services		<u>2,172,826</u>
Total Expenditures of Federal Awards		<u>\$ 2,172,826</u>

See the Independent Auditors' Report

## INSTITUTE OF WOMEN & ETHNIC STUDIES

### NOTES TO SCHEDULE OF EXPENDITURES FEDERAL AWARDS Year Ended December 31, 2020

#### **Note 1- Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of **Institute of Women & Ethnic Studies** and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

#### **Note 2- Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

#### **Note 3- Sub-recipient of Federal Expenditures**

Of the federal expenditures presented in the Schedule, there were no payments to sub-recipients for the year ended December 31, 2020.

#### **Note 4 – Indirect Cost Rate**

**Institute of Women & Ethnic Studies** has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

#### **Note 5 – Non-Cash Assistance**

No federal awards were expended in the form of non-cash assistance during the fiscal year ended December 31, 2020.

#### **Note 6 – Relationship to Financial Statements**

Amounts reported in the Schedule of Expenditures of Federal Awards agree with the amounts reported in the related federal financial reports.

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the **Institute of Women & Ethnic Studies (IWES)** (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 28, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered **IWES'** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **IWES'** internal control. Accordingly, we do not express an opinion on the effectiveness of **IWES'** internal control.

## **Internal Control over Financial Reporting, Continued**

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did not identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

*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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2020-001 through 2020-002 to be material weaknesses.

*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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as items 2020-003 to be a significant deficiency.

## **Compliance and Other Matters**

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

## **Response to Findings**

IWES' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. IWES' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **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.

*Bruno & Tervalon LLP*

New Orleans, Louisiana  
February 28, 2022

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

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

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

We have audited the **Institute of Women & Ethnic Studies**' ("IWES") (a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of **IWES**' major federal programs for the year ended December 31, 2020. **IWES**' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' Responsibility**

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

An audit includes examining, on a test basis, evidence about **IWES'** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, **IWES** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

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

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

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

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

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

*Bruno & Tervalon LLP*

New Orleans, Louisiana  
February 28, 2022

**INSTITUTE OF WOMEN & ETHNIC STUDIES**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

- A. The type of report issued on the financial statements: **Unmodified Opinion**.
- B. Significant deficiencies in internal control were disclosed by the audit of the financial statements: **Yes**. Material weakness: **Yes**.
- C. Noncompliance which is material to the financial statements: **No**.
- D. Significant deficiencies in internal control over major programs: **None Reported**.
- E. The type of report issued on compliance for major programs: **Unmodified Opinion**.
- F. Any audit findings which are required to be reported under *the Uniform Guidance*: **No**.
- G. Major programs:
- | <u>CFDA number</u> | <u>Name of federal program or cluster</u> |
|--------------------|---|
| 93.297             | Teen Pregnancy Prevention Program (TPPP)  |
| 93.088             | Preventing HIV Infection in Women         |
- H. Dollar threshold used to distinguish between Type A and Type B programs: **\$750,000**.
- I. Auditee qualified as a low-risk auditee under *the Uniform Guidance*: **No**.
- J. A management letter issued: **No**.

**INSTITUTE OF WOMEN & ETHNIC STUDIES**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

Finding Number: **2020-001**

Finding Type: **Internal Control**

Finding Title: **General Ledger Controls**

Finding Classification: **Material Weakness**

Resolution: **Unresolved**

Number of Years Reported: **One (1)**

Financial Impact: **≥ \$150,000**

**Criteria**

Management is responsible for establishing and maintaining internal control to achieve the objective of financial reporting. Controls must provide reasonable assurance that all transactions and balances that should have been reported have been included and that no unauthorized transactions or balances are included.

**IWES'** *Finance and Operations Manual* requires that **IWES'** internal control policies provide **IWES** with the foundation to properly safeguard its assets, provide compliance with state and federal laws and regulations and produce timely and accurate financial information

**Condition**

During the course of performing our audit procedures, we noted material weaknesses on the internal controls related to **IWES'** ability to produce timely and accurate financial statements. During the course of our audit, we noted that various account balances were misstated, and audit adjustments were necessary to fairly state balances for material misstatements related the following as noted below:

## INSTITUTE OF WOMEN & ETHNIC STUDIES

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2020

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#### **Finding 2020-001, continued**

- Cash and cash equivalents - \$16,000;
- Grants, accounts receivable, and promises to give - \$92,000
- Prepaid expenses - \$12,129
- Accounts payable - \$38,800
- Accrued liabilities - \$144,900
- Funds held for others - \$11,000
- Deferred revenue - \$337,000
- Federal and private grant revenue - \$144,800

#### **Effect**

As of December 31, 2020, various account balances were misstated in the classifications as noted above.

#### **Cause**

General ledger account reconciliations/analysis and other financial reporting procedures were not accurately prepared on a timely basis.

#### **Recommendation**

We recommend that internal controls regarding timely and accurate financial information be strengthened to ensure accurate and timely financial reporting.

#### **Management's Response and Planned Corrective Action**

In June 2020 IWES hired a Finance Director with several years of nonprofit experience. The Finance Director understands the importance of timely and accurate financial statements. Monthly finance meetings are held with the Executive Leadership Team and quarterly with the Board of Directors.

## INSTITUTE OF WOMEN & ETHNIC STUDIES

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2020

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Finding Number: **2020-002**  
Finding Type: **Internal Control**  
Finding Title: **Revenue Recognition**  
Finding Classification: **Material Weakness**  
Resolution: **Unresolved**  
Number of Years Reported: **One (1)**  
Financial Impact: **≤ \$150,000**

#### **Criteria**

Management is responsible for establishing and maintaining internal control to achieve the objective of financial reporting. Controls must provide reasonable assurance that all transactions and balances that should have been reported have been included and that no unauthorized transactions or balances are included.

Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-605, *Revenue Recognition* requires that for revenue from grants structured as non-exchange transactions, the full amount of the award must be recognized as income in the period in which the legally enforceable pledge (such as an executed grant agreement) is received by the organization even if the donor has delayed payment or restricted the use of funds until a future period; no revenue may be deferred. As a result, contributions are recorded immediately either as an increase in net assets without donor restrictions or net assets with donor restrictions depending on the nature of the donor restrictions, if any.

#### **Condition**

During our audit we noted material weaknesses in the control over revenue recognition. **IWES** did not properly recognize promises to give related to contributions and grants structured as non-exchange transactions and Federal grant revenue earned and material adjustments to private grant revenue, federal grant revenue, promises to give, federal grants receivable and deferred revenue for the year ended December 31, 2020, were required. This also contributed for the need to adjust beginning net assets as reflected in the financial statements

## **INSTITUTE OF WOMEN & ETHNIC STUDIES**

### **SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2020**

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#### **Finding 2020-002, continued**

##### **Effect**

As of December 31, 2020, contributions structured as non-exchange transactions and federal grants receivable were collectively misstated by \$92,000. (see audit finding 2020-01)

##### **Cause**

General ledger account reconciliations/analysis and other financial reporting procedures were not accurately prepared on a timely basis.

##### **Recommendation**

We recommend that **IWES** personnel with financial reporting responsibilities accounting principles generally accepted in the U.S. to properly address the treatment of income recognition for multi-period grants structured as non-exchange transactions and federal grants.

##### **Management's Response and Planned Corrective Action**

**IWES'** newly hired Finance Director is familiar with the reporting responsibilities and transactions reporting. Under the guidance of the Chief Operating Officer and an experienced financial consultant, the Finance Director appropriately records transactions in the general ledger to accurately reflect promises to give and prepares accounting reconciliations timely.

## INSTITUTE OF WOMEN & ETHNIC STUDIES

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2020

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Finding Number: **2020-003**  
Finding Type: **Internal Control**  
Finding Title: **Year-End Financial Close-out**  
Finding Classification: **Significant Deficiency**  
Resolution: **Unresolved**  
Number of Years Reported: **One (1)**  
Financial Impact: **≥ \$150,000**

#### **Criteria**

Management of **IWES** is responsible for designing, implementing and maintaining proper and relevant control processes to ensure timeliness, accuracy and completeness in financial reporting, preparation and fair presentation of disclosures.

Absent an approved request for extension for submission of reports to the Louisiana Legislative Auditor (LLA), LSA-RS 24:513 (A)(5)(I) requires audit reports to be completed and submitted to the LLA within six months after year end.

#### **Condition**

We noted during our audit that **IWES'** 2020 financial close-out and reporting process was not timely completed. **IWES** was granted multiple extensions resulting from the disaster or emergency declared under the provisions of LRS 29:724(B)(1) due to the ongoing outbreak of the coronavirus disease 2019 (COVID 19) which was declared a pandemic by the World Health Organization. Those approved extensions gave **IWES** until March,31, 2022 to submit its report to the LLA.

However, factors such as staffing and inadequate general ledger controls, in addition to the COVID 19 pandemic, also contributed to the delays completing the year-end close-out and submission of reports to the LLA.

## **INSTITUTE OF WOMEN & ETHNIC STUDIES**

### **SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2020**

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Finding Number: **2020-003, continued**

#### **Effect**

Financial information was not timely and accurately captured for the preparation of the December 31, 2020, financial statements and communicated to the management of **IWES**.

#### **Cause**

The finance department of **IWES** has experienced significant turnover during 2019 and half of 2020. As a result of the turnover, **IWES** experienced limited staffing capacity to facilitate a timely year end close-out.

#### **Recommendation**

We recommend that management establish a well-defined financial close-out and reporting process. The process and its key attributes (i.e. overall timing, format and frequency of analyses) should be formally documented, approved and reviewed on a regular basis.

#### **Management's Response and Planned Corrective Action**

**IWES'** Chief Operating Officer and Finance Director have implemented several controls to ensure the timeliness and accuracy of financial reports, including end of the year reports and fair disclosure of those reports. Weekly meetings are scheduled to resolve any outstanding transactions.

**INSTITUTE OF WOMEN & ETHNIC STUDIES**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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**SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL  
AWARDS**

None Reported

**INSTITUTE OF WOMEN & ETHNIC STUDIES**

**SUMMARY OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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**SECTION IV - SUMMARY OF PRIOR YEAR FINDINGS**

	<u>Resolved</u>	<u>Unresolved</u>
2019 - 001 General Ledger Controls		X
2019 - 002 Revenue Recognition		X
2019 - 003 Budget Controls	X	
2019 - 004 Finance Committee Minutes	X	
2019 - 005 Year-End Financial Closeout		X