

**LOUISIANA CENTER FOR THE BLIND, INC.  
RUSTON, LOUISIANA**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT  
JUNE 30, 2022**

LOUISIANA CENTER FOR THE BLIND, INC.  
RUSTON, LOUISIANA

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JUNE 30, 2022

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors of the  
Louisiana Center for the Blind, Inc.  
Ruston, Louisiana

***Opinion***

I have audited the accompanying financial statements of the Louisiana Center for the Blind, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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

***Basis of Opinion***

I conducted my 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Louisiana Center for the Blind, Inc. and to meet my other ethical responsibilities in accordance with relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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

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

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Louisiana Center for the Blind, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Louisiana Center for the Blind, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.

#### ***Other Matters***

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits and other payments to the Executive Director is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The Board of Directors  
Louisiana Center for the Blind, Inc.  
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***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated December 14, 2022, on my consideration of the Louisiana Center for the Blind, Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Louisiana Center for the Blind, Inc.'s internal control over financial reporting and compliance.

*David M. Hunt, CPA (APAC)*

West Monroe, Louisiana  
December 14, 2022

## FINANCIAL STATEMENTS

LOUISIANA CENTER FOR THE BLIND, INC.  
RUSTON, LOUISIANA  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2022

<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 285,992
Accounts receivable	716,419
Investments	1,663,869
Prepaid expenses	11,823
Prepaid income taxes	<u>7,110</u>
Total current assets	<u>\$ 2,685,213</u>
Property and equipment	
Land	\$ 156,570
Building and improvements	3,349,395
Machinery and equipment	433,894
Furniture	60,508
Vehicles	<u>169,195</u>
	\$ 4,169,562
Less accumulated depreciation and amortization	<u>(2,848,564)</u>
Total property and equipment (net)	<u>\$ 1,320,998</u>
Total assets	<u><u>\$ 4,006,211</u></u>
<b>Liabilities and net assets</b>	
Current liabilities	
Accounts payable	\$ 30,070
Compensated absences payable	<u>\$ 98,740</u>
Total current liabilities	<u>\$ 128,810</u>
Net assets	
Without donor restrictions	
Undesignated	\$ 3,869,047
Designated	-
With donor restrictions	<u>8,354</u>
Total net assets	<u>\$ 3,877,401</u>
Total liabilities and net assets	<u><u>\$ 4,006,211</u></u>

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

LOUISIANA CENTER FOR THE BLIND, INC.  
RUSTON, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022

Revenue and support without donor restrictions	
Unrestricted revenues and gains	
Contributions	\$ 74,013
Federal financial assistance	116,429
Louisiana financial assistance	525,000
Program service fees	894,667
Investment return	(68,189)
Fund-raising income-bingo and other	1,422,321
Grants	33,643
Government Contract - PPP	187,529
Other	193,258
	<hr/>
Total unrestricted revenues, gains, and other support	\$ 3,378,671
Net assets released from restrictions	
Restrictions satisfied by payments	14,254
	<hr/>
Total unrestricted revenues, gains, other support, and reclassifications	\$ 3,392,925
Expenses and losses	
Program services	
Training program	\$ 1,823,477
Buddy program	-
Step program	15,557
	<hr/>
Total program services	\$ 1,839,034
Supporting services	
Management and general	406,369
Fund-raising	1,359,594
Unallocated payments to affiliated organizations	-
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Total expenses and losses	\$ 3,604,997
Change in net assets without donor restrictions	\$ (212,072)
Changes in net assets with donor restrictions	
Net assets released from restrictions	(14,254)
	<hr/>
Change in net assets with donor restrictions	\$ (14,254)
Decrease in net assets	\$ (226,326)
Net assets at beginning of year	4,103,727
	<hr/>
Net assets at end of year	\$ 3,877,401
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The accompanying notes are an integral part of these financial statements.

LOUISIANA CENTER FOR THE BLIND, INC.  
MONROE, LOUISIANA  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2022

	Program Services			Supporting Services		Total
	Training Program	Program Buddy	STEP Program	Management and General	Bingo Fund- Raising	
Compensation and related expense						
Compensation	\$ 525,080	\$ -	\$ -	\$ 69,088	\$ 46,520	\$ 640,688
Payroll taxes	39,240	-	-	5,296	2,884	47,420
Fringe benefits	99,053	-	-	24,657	-	123,710
Total compensation and related expenses	663,373	-	-	99,041	49,404	811,818
Other expenses						
Conference and training	14,968	-	-	11,074	-	26,042
Bad debt	-	-	14,400	42,568	-	56,968
Depreciation and amortization	78,621	-	1,157	-	-	79,778
Dues and reference materials	-	-	-	8,329	-	8,329
Insurance	-	-	-	-	-	-
Property and casualty	108,996	-	-	27,249	-	136,245
Vehicles	37,967	-	-	-	-	37,967
Workers' compensation	4,530	-	-	1,132	-	5,662
Income tax on unrelated business income	-	-	-	-	6,675	6,675
Occupancy:						
Electricity, gas, water, and sewer	50,935	-	-	2,295	-	53,230
Maintenance	30,261	-	-	14,436	-	44,697
Rent	-	-	-	1,148	73,316	74,464
Postage and shipping	-	-	-	4,934	-	4,934
Printing	-	-	-	55	-	55
Prizes	-	-	-	827	1,120,934	1,121,761
Professional fees	-	-	-	115,383	-	115,383
Recreational activities	6,183	-	-	-	-	6,183
Service charges & investment fees	240	-	-	7,693	2,352	10,285
Specific assistance	697,660	-	-	-	-	697,660
Supplies:						
Fund-raising, bingo, and other	-	-	-	-	104,377	104,377
Cleaning	54,688	-	-	7,180	-	61,868
Education	33,500	-	-	-	-	33,500
Office	-	-	-	13,399	-	13,399
Other	-	-	-	2,412	-	2,412
PPE	-	-	-	971	-	971
Telephone	8,975	-	-	8,443	-	17,418
Transportation - fuel, repairs, & other	12,714	-	-	15,785	-	28,499
Travel - lodging & meals	3,677	-	-	10,140	-	13,817
Other	16,191	-	-	11,875	2,536	30,602
Total expenses	<u>\$ 1,823,477</u>	<u>\$ -</u>	<u>\$ 15,557</u>	<u>\$ 406,369</u>	<u>\$ 1,359,594</u>	<u>\$ 3,604,997</u>

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

LOUISIANA CENTER FOR THE BLIND, INC.  
MONROE, LOUISIANA  
STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2022

<b>Cash flows from operating activities</b>	
Decrease in net assets	\$ (179,026)
Adjustments to reconcile net increase in net assets to cash provided by operating activities:	
Depreciation and amortization	79,778
Bad debt expense	56,968
Non-cash contributions	(33,643)
Government Contract - PPP	(187,529)
Realized (gains) on investments	(74,740)
Unrealized losses on investments	240,854
(Increase) decrease in operating assets	
Accounts receivable	(105,545)
Prepaid Expenses	(11,823)
Prepaid income taxes	(7,110)
Increase (decrease) in operating liabilities	
Accounts payable	(14,581)
Compensating absences payable	(3,867)
Income tax payable	(10,834)
	<hr/>
Net cash (used) operating activities	\$ (251,098)
<b>Cash flows from investing activities</b>	
Proceeds on sales of investments	\$ 522,335
Purchase of short-term investments, net	(393,659)
Payments for property and equipment	(55,950)
	<hr/>
Net cash provided by investing activities	\$ 72,726
	<hr/>
Net decrease in cash and cash equivalents	\$ (178,372)
	<hr/>
Beginning cash and cash equivalents	\$ 464,364
	<hr/>
Ending cash and cash equivalents	\$ 285,992
	<hr/> <hr/>
<b>Supplemental information</b>	
Interest paid	\$ -
Income taxes paid	\$ 24,634

Noncash transaction for a government contract forgiving the debt related to the PPP received in the earlier period in the amount \$187,529.

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

LOUISIANA CENTER FOR THE BLIND, INC.  
RUSTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022

**NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities

Louisiana Center For The Blind, Inc. (Organization) in Ruston, Louisiana operates a training facility for blind adults. The Organization works towards integrating the blind into the social and economic life of their community through training in the skills of blindness and by encouraging the development of positive attitudes about blindness. The Organization receives a fixed monthly fee for each student in the program from the student's home state.

The Organization is supported primarily through legislative state and federal grant programs, "bingo" fund-raising, and contributions by affiliate organizations, private companies, and individuals.

Contributed Services

During the year ended June 30, 2022, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and may perform a variety of tasks that assist the Organization at the residents' facilities, but these services do not meet the criteria for recognition as contributed services.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. This will affect the reported amounts for assets and liabilities, 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. Significant estimates include those assumed in valuing the market value of investments, expected return on investments, and the useful lives of depreciable assets. It is at least possible that the significant estimates will change within the next year.

Property and Equipment

It is the Organization's policy to capitalize property and equipment over \$500. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset 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 contributions. 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 as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method.

LOUISIANA CENTER FOR THE BLIND, INC.  
RUSTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Statement Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with principles generally accepted ("GAAP") in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

*Net assets without donor restrictions* - Net assets which are not subject to donor-imposed stipulations.

*Net assets with donor restrictions* - Net assets subject to donor-imposed stipulations that will either (1) expire by incoming expenses satisfying the restricted purpose (purpose restricted), and/or the passage of time or other events (time restricted), or (2) will never expire (perpetual in nature). 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.

Liquidity

Assets are presented in the accompanying statement of financial position according to their nearness of conversion to cash and liability according to the nearness of their maturity and resulting use of cash.

Support and Revenues

Certain revenues received under government grant programs are subject to audit by the providing agency. Contributions are considered to be available for unrestricted use unless specifically restricted by the grantor or the Board of Directors.

Accounts Receivable

The Organization has not recognized an allowance for uncollectible accounts for the current period. All accounts receivable are estimated to be collectible for the current period. During the current period, due to the unusual circumstances of COVID-19 (see the subsequent events footnote), some receivables were deemed beyond a reasonable collection period and could no longer be pursued with the agency that owed for the services. \$56,968 has been charged to uncollectible receivables for the current period.

Functional Allocation of Expenses

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

Contributions

Under ASC 958-605, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

LOUISIANA CENTER FOR THE BLIND, INC.  
RUSTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. However, the Organization realized \$31,788 in unrelated business taxable income related to fund-raising activity for the current year. The unrelated business income tax reported on IRS Form 990-T for the year ended June 30, 2022, was \$6,675. The tax years ending June 30, 2020, 2021, and 2022, are subject to examination by the Internal Revenue Service. The Organization is not currently under examination by the Internal Revenue Service.

Investments

Under ASC 958-320, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of one year or less to be cash equivalents.

Compensated Absences

Employees of the Organization are entitled to paid vacations and sick days depending on the length of service to the Organization. Permanent full-time employees earn sick leave at the rate of one day per month of employment, given on the last day of the first full month of employment. Sick leave can be accrued up to one month or a total of 480 hours. Sick leave in excess of 480 hours will be lost. No pay is granted at termination for any earned sick leave.

Permanent full-time employees may earn up to ten days per year of annual leave at the rate of one day (8 hours) per month of employment. Five of the ten annual leave days must be taken during a period specified by the Executive Director and the remaining five annual leave days may be taken with the approval of the Director. Employees terminating their employment, whether voluntarily or involuntarily, will not be paid for accrued annual leave.

The Organization accrued compensated absences in the amount of \$98,740 for the year ended June 30, 2022.

NOTE 2 - CASH AND CASH EQUIVALENTS

At year end, the book balance of the Organization's deposits was \$285,992. The following is a summary of specific account information by custodial institution:

- continued -

LOUISIANA CENTER FOR THE BLIND, INC.  
RUSTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 2 - CASH AND CASH EQUIVALENTS (continued)

<u>Credit Risk</u>	<u>Book Balance</u>	<u>Account Balance</u>	<u>Average Interest Rate</u>
Cash on hand	\$ 2,070		
<u>First National Bank, Ruston, Louisiana</u>			
Operating account	\$ 72,193	\$ 63,259	.25%
"Contribution" money market	44,998	52,623	.25%
"Buddy" operating account	19,970	19,970	.25%
"STEP" operating account	13,467	14,046	.25%
	<u>\$ 150,628</u>	<u>\$ 149,898</u>	
<u>Origin Trust Bank, Ruston, Louisiana</u>			
"Bingo" operating account	\$ 126,865	<u>\$ 135,257</u>	
<u>Charles Schwab Institutional</u>			
Schwab One Account	\$ 6,429	<u>\$ 6,429</u>	.30%
Total cash and cash equivalents	<u>\$ 285,992</u>		

The Organization has secured its deposits with FDIC insurance and pledged securities, when applicable, at each financial institution.

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2022, consists of the following:

Various state agencies for tuition and expenses	\$ 466,842
Louisiana Rehabilitation Services	249,077
Other	<u>500</u>
	<u>\$ 716,419</u>

The receivables represent tuition, grant and support revenues related to services provided before June 30, 2022. There were \$437,097 of account receivable balances over 90 days past due. During the current period \$56,968 was deemed uncollectible and charged off as bad debt.

The Organization has not recognized an allowance for uncollectible accounts for the current period. The director must approve all debts for write-off after being satisfied that the recovery procedures have been complied with and that all reasonable attempts at recovery have been satisfied.

LOUISIANA CENTER FOR THE BLIND  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022

**NOTE 4 - SHORT-TERM INVESTMENTS**

The Organization has short-term investments in equities, mutual funds, fixed income funds, and bond funds. Investments are summarized as follows:

	Cost Basis	Fair Market Value Basis	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Unrealized Gain (Loss)
<b>Charles Schwab Investments</b>						
Cash Equivalents	<u>\$ 6,429</u>					
Exchange Traded Funds	\$ 335,749	\$ 389,709	\$ 389,709	\$ -	\$ -	\$ 53,960
Mutual Funds						
Mutual Funds - Bond Funds	31,993	28,958	28,958			(3,035)
Mutual Funds - Equity Funds	20,383	24,253	24,253			3,870
Charles Schwab Investments Totals	<u>\$ 388,125</u>	<u>\$ 442,920</u>	<u>\$ 442,920</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,795</u>
<b>Chase Investment Services Corp.</b>						
Cash Equivalents	<u>\$ 39</u>					
Fixed Income						
Franklin Income Class A	\$ 1,215,371	\$ 1,170,872	\$ 1,170,872	\$ -	\$ -	\$ (44,499)
Charles Schwab Investments Totals	<u>\$ 1,215,371</u>	<u>\$ 1,170,872</u>	<u>\$ 1,170,872</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (44,499)</u>
<b>American Funds Service Co.</b>						
Mutual Funds	27,890	39,543	39,543	-	-	11,653
<b>LKCM Fund</b>						
Mutual Funds						
Equity Fund Institutional Class	<u>7,747</u>	<u>10,535</u>	<u>10,535</u>	<u>-</u>	<u>-</u>	<u>2,788</u>
Total investments without cash and cash equivalents	<u>\$ 1,639,133</u>	<u>\$ 1,663,869</u>	<u>\$ 1,663,869</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,736</u>

**LOUISIANA CENTER FOR THE BLIND, INC.  
RUSTON, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 4 - SHORT-TERM INVESTMENTS (continued)**

The investments in Franklin Income Class A represent seventy (70%) percent of the investments and exceeded five (5%) percent of the investment portfolio.

Short-term investments are stated at fair value as of June 30, 2022, in the amount of \$1,663,869.

All short-term investments were unrestricted. Investment costs for the fiscal year ended June 30, 2022, were \$6,462.

The following schedule summarizes the unrestricted investment return and its classification in the statement of activities for the current fiscal year:

Dividend income	\$	75,398
Interest income		71
Net realized gains from sale of securities		74,740
Net unrealized losses on investments		(240,854)
Capital gain distributions		22,456
Total investment return	\$	<u>(68,189)</u>

**NOTE 5 - PROPERTY AND EQUIPMENT**

All expenditures for land, buildings, and equipment in excess of \$500 are capitalized. Certain assets, such as computer software, are amortized for three years. Depreciation is computed by the straight-line method, beginning in the month of acquisition, based on the following estimated useful lives:

Instructional buildings and apartment complex	20/40 years
Student activity center	15 years
Leasehold improvements	10 years
Furniture and fixtures	7 years
Office equipment	5 years
Transportation equipment	5 years

Depreciation and amortization expense for the year ended June 30, 2022, was \$79,778. Depreciation expense is reported as program and supporting services and unrestricted net assets in the statement of activities.

Property and equipment, stated at cost, consist of the following at June 30, 2022:

	<u>Cost</u>	<u>Accumulated Depreciation</u>
Land	\$ 156,570	\$ -
Vehicles	169,195	165,596
Buildings and improvements	3,349,395	2,305,682
Machinery and equipment	433,894	318,183
Furniture and fixtures	60,508	59,103
	\$ 4,169,562	-
Accumulated depreciation and amortization	<u>(2,848,564)</u>	<u>\$ 2,848,564</u>
Total	<u>\$ 1,320,998</u>	

**LOUISIANA CENTER FOR THE BLIND, INC.  
RUSTON, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 6 - FEDERAL FINANCIAL ASSISTANCE**

The Organization has been awarded various contracts from the federal government to provide education services to residents. The contract is considered to be an exchange transaction. Accordingly, revenue is recognized when earned and expenses are recognized as incurred. Contract activity for the year ended June 30, 2022, was as follows:

State of Louisiana, Department of Social Services Louisiana Rehabilitation Services	
Purpose: to provide independent living services, training, and support to older blind individuals	\$ <u>116,429</u>
Total federal contract	\$ <u><u>116,429</u></u>

**APH Federal Quota**

The Federal Act to Promote the Education of the Blind was enacted by Congress in 1879. This Act is a means for providing adapted educational materials to eligible students who meet the definition of blindness. An annual registration of eligible students determines a per capita amount of money designated for the purchase of education materials produced by the American Printing House for the Blind (APH). These funds are credited to Federal Quota accounts.

The Organization received \$33,643 of materials and equipment during the current fiscal year.

Any of the funding sources may, at its discretion, request reimbursement for expenses or return of funds, or both, as a result of the noncompliance by the Louisiana Center for the Blind, with the terms of the grants.

**NOTE 7 - CONCENTRATION OF CREDIT RISK**

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist of money market accounts. The Organization places its temporary cash and money market accounts with creditworthy, high-quality financial institutions and brokerage firms. The Organization's cash management policies limit its exposure to concentrations of credit risk by maintaining primary cash accounts at financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC).

**NOTE 8 - EMPLOYEE BENEFIT PLAN**

The Organization maintains a defined contribution salary deferral plan, qualified under Internal Revenue Code 403 (b), for the benefit of its eligible employees. Under the plan, the Organization contributes one and one-half (1 ½%) percent of each eligible employee's salary and also matches dollar for dollar up to another one and one-half (1 ½%) percent of each eligible employee's salary. Retirement contributions by the Organization during the period June 30, 2022, was \$12,761.

LOUISIANA CENTER FOR THE BLIND, INC.  
RUSTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022

**NOTE 9 - FAIR VALUE OF FINANCIAL INSTRUMENTS**

The Organization uses the following methods and assumptions to estimate the fair value of each class of financial instruments for which it is practical to estimate such value:

Cash and cash equivalents: For these instruments, the carrying amount is a reasonable estimate of fair value.

Investment securities: For investment securities with readily determinable fair values, all investments in debt securities are based upon quoted market prices, if available. If a quoted market value is not available, fair value is estimated using quoted market prices of similar products or pricing models.

The Organization has determined the estimated market value amounts by using available market information and commonly accepted valuation methodologies. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Organization could realize in a current market exchange. The use of different assumptions and/or estimation methodologies may have a material effect on the estimated values.

	<u>June 30, 2022</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial assets:		
Cash and cash equivalents	\$ 285,992	\$ 285,992
Investment securities:		
Stocks, bonds, and notes	\$ 1,663,869	\$ 1,663,869

The following are the major categories of assets and liabilities at fair value on a recurring basis during the year ended June 30, 2022, using quoted markets for identical assets (Level 1), significant other observable inputs (Level 2), and significant unobservable inputs (Level 3):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Investment securities:				
Stocks, bonds, and notes	\$ 1,663,869	\$ -	\$ -	\$ 1,663,869

**NOTE 10 - FUNCTIONAL ALLOCATION OF EXPENSES**

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

LOUISIANA CENTER FOR THE BLIND, INC.  
RUSTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022

**NOTE 11 - OPERATING LEASE**

The Organization entered into an operating lease on May 15, 2014, for building and premises located at 804 Cypress Street, West Monroe, Louisiana, containing approximately 9,000 square feet for purposes of conducting bingo games. The rent expense will be \$700 per session. The lease will be on a month-to-month basis. This lease may be cancelled by either party with 30 days written notice.

The rent expense related to this property for the year ended June 30, 2022, was \$70,000.

**NOTE 12 - NET ASSETS WITH DONOR RESTRICTIONS**

Composition of net assets with donor restrictions

The following is the composition by type of fund of net assets with donor restrictions as of June 30, 2022:

	<u>Time Restricted</u>	<u>Purpose Restricted</u>	<u>Perpetual in Nature</u>	<u>Total</u>
Contributions - Buddy Program	\$	\$ 360	\$	\$ 360
BlueCrossBlueShield Foundation Grant		7,994		7,994
Total	<u>\$</u>	<u>\$ 8,354</u>	<u>\$</u>	<u>\$ 8,354</u>

The Blue Cross Blue Shield of Louisiana Foundation Grant

The Center received \$22,248 in scholarship funds during the 2019-2020 fiscal year to promote the wellness and well-being of Louisianians by supporting health and education-related causes. In the current fiscal year, the project has transitioned to "My Money Stories" and the organization no longer must report to BlueCrossBlueShield. \$14,254 of the funding was expended during this year and released. The \$8,354 balance represents donor restricted funds as of June 30, 2022.

LOUISIANA CENTER FOR THE BLIND, INC.  
RUSTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022

**NOTE 13 - SUBSEQUENT EVENTS**

In accordance with ASC 855, the Louisiana Center for the Blind, Inc. evaluated subsequent events through December 14, 2022, the date these financial statements were available to be issued.

COVID-19

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U. S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, as of March 23, 2020, Governor Edwards of Louisiana ordered the closure of the physical location of every "non-life sustaining/non-essential" business for what may be an extended period of time. There has been an impact on the business of the Center. The Center suspended the admission of new clients for a period of time during the current period. Future potential impacts may include continued disruptions or restrictions on our employees' ability to work and impairment of our ability to obtain contributions and volunteers. The future effects of these issues are unknown.

Business continuity, including supply chains and consumer demand across a broad range of industries and countries could be severely impacted for months or beyond as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty. However, subsequent to December 31, 2019, the investment and credit markets have experienced significant volatility. As a result, a substantial portion of the Center's investments have experienced significant declines and increases.

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

The following reflects the Center's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual restrictions.

Cash and cash equivalents	\$ 285,992
Accounts receivable	716,419
Investments	1,663,869
Prepaid expenses	11,823
Prepaid income taxes	<u>7,110</u>
Financial assts available to meet cash needs for general expenditure within one year	<u>\$ 2,685,213</u>

As part of the Center's liquidity management, the investments are short term investments.

LOUISIANA CENTER FOR THE BLIND, INC.  
RUSTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022

**NOTE 15 - NOTE PAYABLE - BANK (PPP LOAN)**

On January 19, 2021 the Center applied for a loan with the U. S. Small Business Administration's COVID-19 Payroll Protection Program "Program" through the Louisiana National Bank of Ruston, Louisiana. The loan amount of \$187,529 deposited February 11, 2021 has a maturity date of five (5) years from the date of the Note. The interest rate is one percent (1%) per year. Under the program, the Center may apply to the bank for forgiveness of the amount due on this loan in an amount equal to the sum of the following costs incurred by the Center during the 8-week or 24-month period beginning on the date of first disbursement on this loan: (a) payroll costs, (b) any payment of interest on a covered obligation (which shall not include any prepayment of or payment of principal on a covered mortgage obligation), (c) any payment on a covered rent obligation, and (d) any requirements of the Program, including the provisions of Section 1106 of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). Not more than 25% of the amount forgiven can be attributable to non-payroll costs. However, the Center will remain liable for the full and punctual payment and satisfaction of the remaining outstanding principal balance of the loan plus accrued but unpaid interest, except with respect to any such portion of the Note that has been forgiven. The Note is unsecured.

The Center received notice from Louisiana National Bank of Ruston on July 19, 2021 that the note had been forgiven. During the current period, this has been recorded as government contract revenue due to the nature of forgiveness.

**SUPPLEMENTARY INFORMATION**

LOUISIANA CENTER FOR THE BLIND, INC.  
RUSTON, LOUISIANA

SCHEDULE I - SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS  
TO EXECUTIVE DIRECTOR  
FOR THE YEAR ENDED JUNE 30, 2022

Pamela Allen, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$63,617
Benefits-insurance	20,001
Benefits-retirement	1,909
Benefits-other	N/A
Car allowance	N/A
Vehicle provided by Organization	N/A
Per diem	567
Reimbursements	100
Travel	1588
Registration fees	60
Conference travel	N/A
Continuing professional education fees	N/A
Housing	N/A
Unvouchered expenses	N/A
Special meals	N/A
Other- annual dues	175

See Accountant's Compilation Report

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

Board of Directors of  
Louisiana Center for the Blind, Inc.  
Ruston, Louisiana

I 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 Louisiana Center for the Blind, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated December 14, 2022.

***Internal Control Over Financial Reporting***

In planning and performing my audit of the financial statements, I considered the 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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, I do not express an opinion on the effectiveness of the 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.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I 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 the Center's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Board of Directors  
Louisiana Center for the Blind, Inc.  
Ruston, Louisiana  
Page 2

***Purpose of this Report***

The purpose of this report is solely to describe the scope of my 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 Legislative Auditor as a public document.

A handwritten signature in black ink that reads "David M. Hard, CPA (APAC)". The signature is written in a cursive style.

West Monroe, Louisiana  
December 14, 2022

**LOUISIANA CENTER FOR THE BLIND, INC.**  
**RUSTON, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

To The Board of Directors  
Louisiana Center for the Blind, Inc.  
Ruston, Louisiana

I have audited the financial statements of Louisiana Center for the Blind, Inc. as of and for the year ended June 30, 2022, and have issued my report thereon dated December 14, 2022. I conducted my 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. My audit of the financial statements as of June 30, 2022, resulted in an unqualified opinion.

Section I- Summary of Auditor’s Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness \_\_\_\_\_ yes X no

Significant Deficiencies not considered to be  
Material Weaknesses \_\_\_\_\_ yes X no

Compliance

Compliance Material to Financial Statements \_\_\_\_\_ yes X no

B. Federal Awards

Material Weakness Identified \_\_\_\_\_ yes X no

Significant Deficiencies not considered to be  
Material Weaknesses \_\_\_\_\_ yes X no

Type of Opinion on Compliance For Major Programs (No Major Programs)

Unqualified \_\_\_\_\_ Qualified \_\_\_\_\_

Disclaimer \_\_\_\_\_ Adverse \_\_\_\_\_

Are their findings required to be reported in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)? N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster)  
CFDA Number(s)

Dollar threshold used to distinguish between Type A and Type B Programs. N/A  
Is the auditee a “low-risk” auditee, as defined by the Uniform Guidance? N/A

**LOUISIANA CENTER FOR THE BLIND, INC.**  
**RUSTON, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Section II- Financial Statement Findings

There were no findings in this section.

Section III- Federal Award Findings and Questioned Costs

There were no findings in this section.

**LOUISIANA CENTER FOR THE BLIND, INC.**  
**RUSTON, LOUISIANA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**Internal Control and Compliance Material to the Financial Statements**

This section not applicable.

**Internal Control and Compliance Material to Federal Awards**

This section not applicable.

**Management Letter**

This section not applicable.

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Louisiana Center for the Blind, Inc. and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by the Louisiana Center for the Blind, Inc. (the 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 July 1, 2021 through June 30, 2022. The Entity's management is responsible for those C/C areas identified in the SAUPs.

Louisiana Center for the Blind, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and related exceptions obtained are described in the attachment to this report.

I was engaged by the Louisiana Center for the Blind, Inc. to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. I was not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of the Louisiana Center for the Blind, Inc. and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



West Monroe, Louisiana  
December 14, 2022

## ***Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - 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, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
  - 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 (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
  - j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

#### Exceptions

There is no written policy for Information Technology Disaster Recovery/Business Continuity but there will be one in place next fiscal year.

#### ***Board or Finance Committee***

---

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

#### Exceptions

No exceptions noted in the above procedures.

#### ***Bank Reconciliations***

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- 3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from

the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or 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 it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

#### Exceptions

Bank reconciliations were not prepared within two months of the bank statement date. These will be corrected in the next fiscal year.

#### *Collections (excluding electronic funds transfers)*

---

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
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 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/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
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 the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

#### Exceptions

No exceptions were identified in the performance of the procedures listed above.

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

---

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.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

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 whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

#### Exceptions

No exceptions were identified in the performance of the procedures listed above.

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

---

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
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 whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
  - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

#### Exceptions

No exceptions were identified in the performance of the procedures listed above.

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

---

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, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

#### **Exceptions**

No exceptions were identified in the performance of the procedures listed above.

### ***Contracts***

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15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
  - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

### Exceptions

No exceptions were identified in the performance of the procedures listed above.

### ***Payroll and Personnel***

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16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or 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 or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
  - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
  - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

### Exceptions

No exceptions were identified in the performance of the procedures listed above.

### ***Ethics***

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

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

#### Exceptions

No exceptions were identified in the performance of the procedures listed above.

#### *Debt Service*

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

#### Exceptions

The Center has no debt.

#### *Fraud Notice*

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe 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.

#### Exceptions

Inquired of management whether the Center had any misappropriations of public funds or assets and there was none. The entity does have posted on its premises, the notice required by R.S. 24:523.1.

#### *Information Technology Disaster Recovery/Business Continuity*

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

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

### Exceptions

I performed the procedure and discussed the results with management.

### *Sexual Harassment*

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26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
  - a) Number and percentage of public servants in the agency who have completed the training requirements;
  - b) Number of sexual harassment complaints received by the agency;
  - c) Number of complaints which resulted in a finding that sexual harassment occurred;
  - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - e) Amount of time it took to resolve each complaint.

## Exceptions

No exceptions were identified in the performance of the procedures listed above.