

**THE FAMILY TREE
INFORMATION, EDUCATION
AND COUNSELING CENTER, INC.**

FINANCIAL STATEMENTS

**YEAR ENDED
DECEMBER 31, 2023**

TABLE OF CONTENTS

INDEPENDENT AUDITOR’S REPORT 1-3

FINANCIAL STATEMENTS

Statement of Financial Position..... 5

Statement of Activities 6

Statement of Functional Expenses 7

Statement of Cash Flows..... 8

Notes to Financial Statements 9-15

SUPPLEMENTAL INFORMATION

Schedule of Expenditures of Federal Awards.....17

Notes to the Schedule of Expenditures of Federal Awards.....18

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* 19-20

Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.....21-23

Schedule of Findings and Questioned Costs.....24-25

Schedule of Prior Year Audit Findings.....26



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**DARNALL SIKES
& FREDERICK**
A CORPORATION OF CERTIFIED
PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
The Family Tree
Information, Education
and Counseling Center, Inc.
Lafayette, Louisiana

Opinion

We have audited the accompanying financial statements of The Family Tree Information, Education and Counseling Center, Inc. (The Center) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statement of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Family Tree Information, Education and Counseling Center, Inc. as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Family Tree Information, Education and Counseling Center, Inc., and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Family Tree Information, Education and Counseling Center, 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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 The Family Tree Information, Education and Counseling Center, 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Family Tree Information, Education and Counseling Center, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2024, on our consideration of The Family Tree Information, Education and Counseling Center, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Family Tree Information, Education and Counseling Center, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Family Tree Information, Education and Counseling Center, Inc.'s internal control over financial reporting and compliance.

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Lafayette, Louisiana

June 27, 2024

FINANCIAL STATEMENTS

**THE FAMILY TREE
INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

**STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023**

ASSETS

CURRENT ASSETS

Cash	\$ 669,854
Accounts Receivable:	
Grants and Contracts	280,115
Other Receivables	1,780
Prepaid Expenses	<u>54,610</u>
Total Current Assets	<u>1,006,359</u>

PROPERTY AND EQUIPMENT

Property and Equipment, Net	<u>36,934</u>
Total Property and Equipment	<u>36,934</u>

OTHER ASSETS

Deposits	8,400
Right-Of-Use Asset, Net	<u>362,321</u>
Total Other Assets	<u>370,721</u>

TOTAL ASSETS \$ 1,414,014

LIABILITIES

Accounts Payable	\$ 25,442
Accrued Liabilities	123,266
Current Portion of Obligations Under Operating Leases	<u>105,717</u>
Total Current Liabilities	<u>254,425</u>

Obligations Under Operating Leases, Net of Current Maturities	259,331
Deferred Revenue	<u>102,034</u>
Total Long-Term Liabilities	<u>361,365</u>

TOTAL LIABILITIES 615,790

NET ASSETS

Net Assets Without Donor Restrictions	<u>798,224</u>
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TOTAL NET ASSETS 798,224

TOTAL LIABILITIES AND NET ASSETS \$ 1,414,014

The accompanying notes are an integral part of this statement.

**THE FAMILY TREE
INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

**STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

NET ASSETS WITHOUT DONOR RESTRICTIONS

PUBLIC SUPPORT

Grants and Contracts	\$ 2,373,710
United Way	23,500
Public Support Donations	42,474
Fundraising	<u>41,850</u>
Total Public Support	<u>2,481,534</u>

REVENUES AND GAINS

Counseling Income, Net	143,515
Medicaid Reimbursements	424,977
Contractual Adjustments	(224,263)
Employee Assistance Program Income	98,658
Investment Income	89
Other Income	<u>1,126</u>
Total Revenues and Gains	<u>444,102</u>

Total Revenues, Gains and Public Support	<u>2,925,636</u>
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EXPENSES AND LOSSES

Program Services	2,485,330
Supporting Services:	
Management and General	344,408
Fundraising	<u>6,972</u>
Total Expenses and Losses	<u>2,836,710</u>

CHANGE IN NET ASSETS	88,926
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NET ASSETS AT BEGINNING OF YEAR	<u>709,298</u>
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NET ASSETS AT END OF YEAR	<u>\$ 798,224</u>
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The accompanying notes are an integral part of this statement.

**THE FAMILY TREE
INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023**

	PROGRAM SERVICES	SUPPORTING SERVICES		TOTAL
		MANAGEMENT AND GENERAL	FUNDRAISING	
Compensation and Related Expenses				
Salaries	\$ 1,422,485	\$ 222,670	\$ -	\$ 1,645,155
Payroll Taxes	115,832	17,208	-	133,040
Employee Benefits	113,727	21,071	-	134,798
	<u>1,652,044</u>	<u>260,949</u>	<u>-</u>	<u>1,912,993</u>
Advertising and Marketing	14,558	-	4,440	18,998
Credit Loss	5,367	-	-	5,367
Bank Charges	6,219	987	45	7,251
Conferences and Meetings	-	2,896	-	2,896
Contract Labor	47,815	-	-	47,815
Equipment Lease and Maintenance	5,948	-	-	5,948
Facility Rental	-	-	2,487	2,487
Insurance	18,335	2,657	-	20,992
Membership Dues	3,100	2,154	-	5,254
Office Supplies	138,903	4,560	-	143,463
Postage	406	176	-	582
Professional Fees	307,943	61,734	-	369,677
Rent	125,736	-	-	125,736
Telecommunications	33,103	694	-	33,797
Training and Development	32,763	7,320	-	40,083
Travel	91,589	281	-	91,870
	<u>2,483,829</u>	<u>344,408</u>	<u>6,972</u>	<u>2,835,209</u>
Depreciation	1,501	-	-	1,501
Totals	<u>\$ 2,485,330</u>	<u>\$ 344,408</u>	<u>\$ 6,972</u>	<u>\$ 2,836,710</u>

The accompanying notes are an integral part of this statement.

**THE FAMILY TREE
INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

**STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 88,926
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By Operating Activities:	
Depreciation	1,501
Rent Expense in Excess of Cash Paid	(5,857)
Changes in Assets and Liabilities:	
Accounts Receivable	(53,057)
Other Receivables	(1,620)
Prepaid Expenses	18,211
Deposits	(3,400)
Accounts Payable	11,069
Accrued Liabilities	29,431
Deferred Revenue	<u>(50,395)</u>
Total Adjustments	<u>(54,117)</u>
Net Cash Provided By Operating Activities	<u>34,809</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Capital Assets	<u>(38,181)</u>
Net Cash Used In Investing Activities	<u>(38,181)</u>

NET CHANGE IN CASH (3,372)

CASH AT BEGINNING OF YEAR 673,226

CASH AT END OF YEAR \$ 669,854

The accompanying notes are an integral part of this statement.

**THE FAMILY TREE
INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

NOTES TO FINANCIAL STATEMENTS

(A) ORGANIZATION AND NATURE OF OPERATIONS

The Family Tree Information, Education and Counseling Center, Inc. (hereinafter “The Center”), a nonprofit organization, was established in 1979 to support, strengthen and enlighten family life. The Center focuses on providing support through educational programs and counseling services. The Center’s services are available to residents of Lafayette, Vermilion, St. Landry, St. Mary, St. Martin, Iberia, Acadia and Evangeline Parishes.

(B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Accounting - Assets, liabilities, revenues and expenses are recognized on the accrual basis of accounting in conformity with generally accepted accounting principles.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles of the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets 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.

Accounts Receivable - Trade credit is generally extended on a short-term basis; thus, receivables do not bear interest. Trade accounts receivables are periodically evaluated for collectability and are charged against fees allowance or credit loss expense when they are deemed uncollectible. As of December 31, 2023, credit loss expense of \$5,367 was recognized in the financial statements.

Prepaid Expenses - Insurance and other similar services which extend benefit over more than one accounting period have been recorded as prepaid.

Property and Equipment - Property and equipment are stated at cost less accumulated depreciation. Maintenance and repairs are expensed as incurred. Items valued at \$1,500 or less are expensed as operating supplies.

Depreciation is computed using the straight-line method over the estimated useful lives of the individual assets. Furniture and equipment is depreciated over three to ten years. The balance in the depreciation expense account at December 31, 2023, totaled \$1,501.

Revenue Recognition - Grants and contributions are recognized when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

**THE FAMILY TREE
INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

NOTES TO FINANCIAL STATEMENTS

(B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Revenue Recognition – continued

The Center receives support in the form of grants from federal, state, and local governmental agencies, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses.

Amounts received are recognized as revenue when the Center has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the Statement of Financial Position.

Grants and contributions are recorded depending on the existence or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as revenue without donor restrictions.

Client service fees represent the estimated net realizable amounts from clients, third party payers, and others for services rendered. Revenues are recorded during the period the services are provided, based upon the estimated amounts due from payers. Estimates of contractual allowances are based upon the specified payment terms.

Laws and regulations governing the Medicaid program are complex and subject to interpretation. The estimated reimbursement amounts are made on a payer-specific basis and are recorded based on the best information available regarding management's interpretation of the applicable laws, regulations, and contract terms. Management continually reviews the contractual estimation process to consider and incorporate updates to laws and regulations and the frequent changes in managed care contractual terms resulting from contract renegotiations and renewals. Due to the complexities involved in the classification and documentation of services authorized and provided, the estimation of revenues earned and the related reimbursement are often subject to interpretations that could result in payments that are different from the Center's estimates.

The Center provides discounts from gross charges to uninsured clients who do not qualify for Medicaid. These discounts are like those provided to many local managed care plans. After the discounts are applied, if the Center is still unable to collect a significant portion of uninsured clients' accounts, it records bad debt using the direct write-off method. The Center also receives grant funding from the Louisiana Children's Trust Fund to assist with the cost of counseling for uninsured clients.

The Center receives payments for client services from the federal government under the Medicaid program, state governments under their respective Medicaid or similar programs, and directly from patients.

The laws and regulations governing the Center's operations, along with the terms of participation in various government programs, regulate how the Center does business, the services offered and its interactions with clients and the public. These laws and regulations, and their interpretations, are subject to frequent change.

**THE FAMILY TREE
INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

NOTES TO FINANCIAL STATEMENTS

(B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Revenue Recognition – continued

Changes in existing laws or regulations, or their interpretations, or the enactment of new laws or regulations could materially and adversely affect the Center’s operations and financial condition. The Center is subject to various routine and non-routine governmental reviews, audits and investigations. Violation of the laws governing the Center’s operations, or changes in the interpretation of those laws, could result in the imposition of fines, civil or criminal penalties, and/or termination of the Center’s rights to participate in federal and state-sponsored programs and suspension or revocation of the Center’s licenses. The Center believes that it is in material compliance with all applicable laws and regulations.

Income Taxes - The Family Tree Information, Education and Counseling Center, Inc. qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. In addition, the Center has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509 (a) of the Code.

Cash and Cash Equivalents - For the purposes of the statement of cash flows, the organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Advertising Costs - Advertising costs, except for costs associated with direct-response advertising, are charged to operations when incurred. The costs of direct-response advertising are capitalized and amortized over the period during which future benefits are expected to be received. The total cost of advertising charged to expense was \$18,998 for the year ended December 31, 2023.

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

Deferred Revenue - Deferred revenues represent funding received for which the related expenses have not yet been incurred by the Center. At December 31, 2023, deferred revenues were \$102,034.

Federal Financial Awards - Revenues for direct and indirect federal contracts are recorded based on expenses incurred for contracts that are on a cost reimbursement basis, and based on the units of service for those contracts which are on a fee for service basis. In the Statement of Activities, these revenues are referred to as ‘Grants and Contracts’. Related contract receivables are referred to as “Accounts Receivable - Grants and Contracts” in the Statement of Financial Position.

Fair Value Considerations - Fair value is used to measure financial and certain nonfinancial assets and liabilities measured or disclosed at fair value on a recurring basis (at least annually). Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value hierarchy established and prioritized fair value measurements into three levels based on the nature of the inputs. The hierarchy gives the highest priority to inputs based on market data from independent sources (observable inputs – Level 1) and the lowest priority to a reporting entity’s internal assumptions based upon the best information available when external market data is limited or unavailable (unobservable inputs – Level 3).

**THE FAMILY TREE
INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

NOTES TO FINANCIAL STATEMENTS

(B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

The fair value option allows entities to choose, at specified election dates, to measure eligible financial assets and financial liabilities at fair value that are not otherwise required to be measured at fair value. If an entity elects the fair value option for an eligible item, changes in that item's fair value in subsequent reporting periods must be recognized in current earnings. The fair value option was not elected for the measurements of any eligible assets or liabilities.

The estimated fair values of each entity's short-term financial instruments (primarily cash and cash equivalents, receivables, accounts payables, accrued expenses, short-term debt and lines of credit) approximate their individual carrying amounts due to the relatively short period between their origination and expected realization or payment. Based on market rates for similar loans, the fair value of long-term debt approximates their carrying value.

Adoption of FASB ASU 2016-13 and Related Standards – At the beginning of 2023, the Company adopted FASB ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses on certain financial statements. The Company adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Company's financial statements but did not change how the allowance for credit losses is determined.

(C) CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Center to concentrations of credit risk consists of cash. The Center maintains its cash in one financial institution. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Center has cash balances in two banks in excess of amounts federally insured. The uninsured balances totaled \$205,812 on December 31, 2023. The Center believes it is not exposed to any significant credit risk on its cash balances.

The majority of the Center's revenues and accounts receivable are from contracts which are funded primarily by federal government grants. If federal funding levels for the programs are reduced, or if the contracts are not renewed, the impact on the Center could be severe.

(D) PROPERTY AND EQUIPMENT

Property and Equipment consist of the following:

Furniture and Fixtures	\$ 13,462
Office Equipment	80,458
Total	<u>93,920</u>
Less: Accumulated Depreciation	<u>(56,986)</u>
Net Property and Equipment	<u>\$ 36,934</u>

**THE FAMILY TREE
INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

NOTES TO FINANCIAL STATEMENTS

(E) COMPENSATION, BENEFITS AND OTHER PAYMENTS TO EXECUTIVE DIRECTOR

A detail of compensation, benefits, and other payments paid to Marie Collins, Executive Director, for the year ended December 31, 2023:

Purpose	Amount
Salary and Related Expenses	\$ 142,500
Benefits-Insurance	\$ 7,149
Vehicle Allowance	\$ 4,800

(F) LINE OF CREDIT

On November 30, 2017, the Center obtained a line of credit with a bank in the amount of \$50,000 bearing interest at prime plus 7.5 percent per annum, currently 9.875 percent, maturing January 6, 2024. The line of credit was renewed on March, 18, 2024 and matures at March 18, 2025. The balance at December 31, 2023, was \$0.

(G) LEASING ACTIVITIES

On August 28, 2017, the Center signed a three-year Operating lease for office space. The monthly payments are \$5,000 in the first year, \$5,285 in the second year and \$5,725 in the third year. On October 1, 2020, the lease was extended for 36 months with a base amount of \$5,725 per month. On October 1, 2023, the lease was extended for 36 months. The payments are \$6,386 in the first year, \$6,826 in the second year, and \$7,267 in the third year.

On August 23, 2019, the Center signed a three-year Operating lease for office space. The lease term is September 1, 2019, through August 31, 2022. The monthly payments are \$3,167. On August 22, 2022, the lease was extended for 19 months with a base amount of \$3,883 per month.

On October 5, 2023 the Center signed a five-year Operating lease for office space. The lease term is November 1, 2023 through October 31, 2028. The monthly payments are \$2,900.

As most of the leases do not provide an implicit rate, the Organization uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments.

The depreciable life of assets and leasehold improvements are limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise.

Leases	Classification	2023
Assets		
Operating	Operating Lease Asset	<u>\$ 362,321</u>
Liabilities		
Current		
Operating	Current Portion of Operating Lease Liability	\$ 105,717

**THE FAMILY TREE
INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

NOTES TO FINANCIAL STATEMENTS

(G) LEASING ACTIVITIES - continued

Long-Term		
Operating	Noncurrent Portion of Operating Lease Liability	<u>259,331</u>
Total Lease Liabilities		<u>\$ 365,048</u>

The following summarizes the weighted average remaining lease term and discount rate as of December 31, 2023:

	<u>2023</u>
Weighted Average Remaining Lease Term	
Operating leases -	3.5 years
Weighted Average Discount Rate	
Operating leases	5.96%

Maturities of Lease Liabilities:

Year ending December 31:	
2023	\$ 124,403
2024	118,039
2025	100,202
2026	34,800
2027 and thereafter	<u>29,000</u>
Total Lease Payments	<u>\$ 406,444</u>
Less: interest	<u>(41,396)</u>
Present Value of Lease Payments	<u>\$ 365,048</u>

The following summarizes the line items in the statements of activities which include the components of lease expense for the year ended December 31, 2023:

Operating lease expense included in management and general expenses	<u>\$ 123,207</u>
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The following summarizes cash flow information related to leases for the year ended December 31, 2023:

	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	\$ 123,075
Lease assets obtained in exchange for lease obligations:	
Operating leases	\$ 375,635

**THE FAMILY TREE
INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

NOTES TO FINANCIAL STATEMENTS

(H) COMPENSATED ABSENCES

Full time employees will become eligible for vacation benefits after their ninety (90) days probationary period. Probationary period employees accrue vacation leave during the probation period, though are not eligible to use accrued vacation during the probation period. Any employee who does not successfully complete the probationary period and is terminated before the probation period's end will receive no compensation for accrued compensated absences. Upon separation, employees will be compensated for any unused vacation generated in the current year. After successful completion of the probation period, the employee is awarded 10 hours of paid sick leave. Sick leave with pay is earned at a rate of 1.67 hours per payroll thereafter. Sick leave may be accumulated only for use in an extended illness. No sick leave or extended illness leave is payable to an employee after resignation date is given. As of December 31, 2023, the total amount of accrued compensated absences was \$24,087 and is reflected in accrued liabilities.

(I) LIQUIDITY AND AVAILABILITY

The Center has \$951,749 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$669,854, and receivables of \$281,895. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date.

(J) SUBSEQUENT EVENTS

Subsequent events were evaluated through June 27, 2024, which is the date the financial statements were available to be issued.

In April 2024, the organization was notified that the Healthy Start Initiative – Eliminating Racial/Ethnic Disparities grant was no longer going to be funded. The grant originally ended on March 31, 2024 and would have renewed on April 1, 2024. The organization received a no cost extension until September 30, 2024 to close out the grant.

SUPPLEMENTAL INFORMATION

**THE FAMILY TREE
INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2023**

Program Title	Assistance Listing Number	Grant Number	Federal Expenditures	Subrecipients	
U.S. Department of Health and Human Services					
Advancing System Improvements for Key Issues in Women's Health Choices	93.088	5 ASTWH210104-03-00	\$ 303,037	\$ -	
Healthy Start Initiative					
Healthy Start Initiative - Eliminating Racial/Ethnic Disparities	*	93.926	6 H49MC27810-10-04	1,376,595	-
Passed through: Louisiana Office of Public Health					
Injury Prevention and Control Research and State and Community Based Programs	93.136	N/A	57,645	-	
Passed through: Tulane Department of Psychiatry and Behavioral Sciences					
Child Care and Development Block Grant					
Tulane Infant and Early Childhood Mental Health Consultation Support and Services (TIKES)	93.575	TUL-HSC-561397	306,399	-	
Passed through: Acadiana Area Human Services District					
Block Grants for Prevention and Treatment of Substance Abuse					
Jacob Crouch Suicide Prevention	93.959	N/A	60,642	-	
Block Grants For Community Mental Health Services	93.958	N/A	15,000	-	
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	N/A	<u>37,243</u>	<u>-</u>	
Total U.S. Department of Health and Human Services			<u>\$ 2,156,561</u>	<u>\$ -</u>	

* - denotes a major program

**THE FAMILY TREE
INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

**NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS**

(A) BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of The Family Tree Information, Education and Counseling Center, Inc. under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the Center, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Center.

(B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) 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 reimbursements.
- (2) Pass-through entity identifying numbers are presented where available.

(C) INDIRECT COST RATE

The Center has elected to use the 10% de minimis indirect cost rate for the year ended December 31, 2023.



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

To the Board of Directors
The Family Tree
Information, Education
and Counseling Center, Inc.
Lafayette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Family Tree Information, Education and Counseling Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 27, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Family Tree Information, Education and Counseling Center, Inc.’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Family Tree Information, Education and Counseling Center, Inc.’s internal control. Accordingly, we do not express an opinion on the effectiveness of The Family Tree Information, Education and Counseling Center, Inc.’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Lafayette, Louisiana

June 27, 2024



OTHER LOCATIONS:

Eunice Morgan City Abbeville

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE**

To the Board of Directors
The Family Tree
Information, Education
and Counseling Center, Inc.
Lafayette, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The Family Tree Information, Education and Counseling Center, Inc.’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of The Family Tree Information, Education and Counseling Center, Inc.’s major federal programs for the year ended December 31, 2023. The Family Tree Information, Education and Counseling Center, Inc.’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, The Family Tree Information, Education and Counseling Center, Inc. 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, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Opinion on Each Major Federal Program

In our opinion, The Family Tree Information, Education and Counseling Center, Inc. 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, 2023.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Lafayette, Louisiana

June 27, 2024

**THE FAMILY TREE
INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

We have audited the financial statements of The Family Tree Information, Education and Counseling Center, Inc. as of and for the year ended December 31, 2023, and have issued our report thereon dated June 27, 2024. 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. Our audit of the financial statements as of December 31, 2023, resulted in an unmodified opinion.

Section I - Summary of Auditor's Reports

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

Internal Control

Significant Deficiencies	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Material Weaknesses	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Compliance

Noncompliance Material to Financial Statements	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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b. *Federal Awards*

Major Program Identification

The Family Tree Information, Education and Counseling Center, Inc. at December 31, 2023 had one major program:

Department of Health and Human Services – Healthy Start Initiative – ALN: 93.926

Low-Risk Auditee

The Family Tree Information, Education and Counseling Center, Inc. is considered a low-risk auditee for the year ended December 31, 2023.

Major Programs - Threshold

The dollar threshold to distinguish between Type A and Type B programs is \$750,000 for the year ended December 31, 2023.

Auditor's Report - Major Programs

An unmodified opinion has been issued on Family Tree Information, Education and Counseling Center, Inc.'s compliance for its major program as of and for the year ended December 31, 2023.

Significant Deficiencies - Major Program

There were no significant deficiencies noted during the audit of the major federal programs.

**THE FAMILY TREE
INFORMATION, EDUCATION AND COUNSELING CENTER, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - continued**

Section II - Financial Statement Findings

There were no findings in the current year.

Section III - Federal Awards Findings and Questioned Costs

The audit did not disclose any material noncompliance findings or questioned costs relative to its federal programs.

**THE FAMILY TREE
INFORMATION, EDUCATION AND COUNSELING CENTER, INC.**

SCHEDULE OF PRIOR AUDIT FINDINGS

There were no prior year findings.

**The Family Tree Information, Education
And Counseling Center, Inc.**
Lafayette, Louisiana

Independent Accountant's Report
On Applying Agreed-Upon Procedures

Year Ended December 31, 2023



**DARNALL SIKES
& FREDERICK**

A CORPORATION OF CERTIFIED
PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors and Management
The Family Tree Information, Education
and Counseling Center, Inc.
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2023, through December 31, 2023. The Family Tree Information, Education and Counseling Center, Inc.'s management is responsible for those control and compliance areas identified in the SAUPs.

The Family Tree Information, Education and Counseling Center, 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 control and compliance areas identified in LLA's SAUPs for the fiscal period January 1, 2023 through December 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

- A. 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:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
The entity does not have written policies and procedures related to budgeting.
 - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
Written policies and procedures were obtained and do address the functions noted above.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
The entity does not have written policies and procedures related to disbursements.
 - iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
The entity does not have written policies and procedures related to receipts.

- v. **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 rates of pay or approval and maintenance of pay rate schedules.
Written policies and procedures were obtained and do address the functions noted above.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
The entity does not have written policies and procedures related to contracting.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
Written policies and procedures were obtained and do address the functions noted above.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
Written policies and procedures were obtained and do address the functions noted above.
- ix. **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.
This section is not applicable for nonprofit organizations.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
This section is not applicable for nonprofit organizations.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
Written policies and procedures were obtained and do address the functions noted above.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
Per review of grant documents, the entity is not subject to the sexual harassment law, R.S. 42:342-344.

2) Board or Finance Committee

- A. 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
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
No exceptions noted.

- ii. 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. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity’s collections during the fiscal period.*

This section is not applicable for nonprofit organizations.

- iii. 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.

This section is not applicable for nonprofit organizations.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management’s corrective action plan at each meeting until the findings are considered fully resolved.

Obtained the prior year audit report and observed that there were no audit findings.

3) Bank Reconciliations

- A. 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:

Obtained listing of bank accounts from management and management’s representation that the listing was complete.

- i. 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);

No exceptions noted.

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within one month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

No exceptions noted.

- iii. 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.

No exceptions noted.

4) Collections (excluding electronic funds transfers)

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

Obtained listing of deposit sites and management's representation that the listing was complete.

- A. 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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that

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

- i. Employees responsible for cash collections do not share cash drawers/registers;

No exceptions noted.

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

No exceptions noted.

- iii. Each employee responsible for collecting cash is not also 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; and

No exceptions noted.

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

No exceptions noted.

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

The entity does not have a bond or insurance policy for theft covering the employees.

- C. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, 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.*

- D. Obtain supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.

No exceptions noted.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
No exceptions noted.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
No exceptions noted.
- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
No exceptions noted.
- v. Trace the actual deposit per the bank statement to the general ledger.
No exceptions noted.

5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- A. 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).
Obtained listing of locations that process payments and management's representation that the listing was complete.
- B. For each location selected under procedure #5A 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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
No exceptions noted.
 - ii. At least two employees are involved in processing and approving payments to vendors;
No exceptions noted.
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
No exceptions noted.
 - iv. 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; and
No exceptions noted.
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
No exceptions noted.
- C. For each location selected under procedure #5A 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

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

No exceptions noted.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

No exceptions noted.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No exceptions noted.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.

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

- B. 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

- i. 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 (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

No exceptions noted.

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

No exceptions noted.

- C. Using the monthly statements or combined statements selected under procedure #7B 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 (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized

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

No exceptions noted.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. 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 and 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:

Obtained listing of travel and travel-related expense reimbursements and management’s representation that the listing was complete.

- i. If reimbursed using a per diem, observe that 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);

No exceptions noted

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

No exceptions noted.

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

No exceptions noted.

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

No exceptions noted.

8) Contracts

- A. 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. *Alternatively, 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

Obtained listing of all contracts in effect and management’s representation that the listing was complete.

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
No exceptions noted.
- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
No exceptions noted.
- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
No exceptions noted.
- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.
No exceptions noted.

9) Payroll and Personnel

- A. 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.
Obtained listing of employees and management’s representation that the listing was complete. Authorized salaries/pay rates traced to personnel files without exception.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
No exceptions noted.
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
No exceptions noted.
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity’s cumulative leave records; and
No exceptions noted.
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
No exceptions noted.
- C. 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 and 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's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

No exceptions noted.

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

No exceptions noted.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

This section is not applicable to nonprofit organizations.

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

This section is not applicable for nonprofit organizations.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

This section is not applicable for nonprofit organizations.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

This section is not applicable for nonprofit organizations.

- B. 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).

This section is not applicable for nonprofit organizations.

12) Fraud Notice

- A. 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 as required by R.S. 24:523.

No misappropriations of public funds or assets noted.

- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions noted.

13) Information Technology Disaster Recovery/Business Continuity

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

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

- C. Using the 5 randomly selected employees/officials from the Payroll and Personnel procedure at #9A, obtain cybersecurity training and documentation from management, and observe that the documentation demonstrates that the employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267.

This section is not applicable for nonprofit organizations.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Per review of grant documents, the entity is not subject to the sexual harassment law, R.S. 42:342.

- B. Observe that 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).

Per review of grant documents, the entity is not subject to the sexual harassment law, R.S. 42:342.

- C. 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 that the report includes the applicable requirements of R.S. 42:344:

Per review of grant documents, the entity is not subject to the sexual harassment law, R.S. 42:342.

- i. Number and percentage of public servants in the agency who have completed the training requirements;
- ii. Number of sexual harassment complaints received by the agency;
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

We were engaged by The Family Tree Information, Education and Counseling Center, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of The Family Tree Education, Information and Counseling Center, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Lafayette, Louisiana

June 27, 2024



THE FAMILY TREE
INFORMATION, EDUCATION & COUNSELING CENTER

June 27, 2024

Darnall, Sikes & Frederick
A Corporation of Certified Public Accountants
2000 Kaliste Saloom Rd., Suite 300
Lafayette, LA 70508

The following is Management's response to the 2023 agreed upon procedures report submitted.

WRITTEN POLICIES AND PROCEDURES

1. i), iii, iv), vi) - Management currently has unwritten policies in place but is in the process of reviewing and revising all current policies and procedures and making modifications as determined to be necessary, at which time they will be formally approved by our Board.

COLLECTIONS

7. c) - Management will evaluate the need for this coverage.

If any additional information is needed, please contact me.

Marie Collins
Executive Director