

SAFE HAVYNN EDUCATION CENTER
Lafayette, Louisiana

Financial Report

Year Ended September 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Safe Havynn Education Center

Opinion

We have audited the accompanying financial statements of Safe Havynn Education Center (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Safe Havynn Education Center as of September 30, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Safe Havynn Education Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2024, on our consideration of Safe Havynn Education Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Safe Havynn Education Center's internal control over financial reporting and compliance.

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Lafayette, Louisiana

January 23, 2024

FINANCIAL STATEMENTS

SAFE HAVYNN EDUCATION CENTER

Statement of Financial Position
September 30, 2023

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 72,442
Prepaid expenses	<u>3,250</u>
Total current assets	<u>75,692</u>
PROPERTY AND EQUIPMENT, NET	38,322
OTHER ASSETS	
Right-of-use asset	<u>140,627</u>
Total other assets	<u>140,627</u>
TOTAL ASSETS	<u>\$ 254,641</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accrued expenses	\$ 11,812
Current maturities of obligations under operating leases	<u>32,531</u>
Total current liabilities	<u>44,343</u>
LONG-TERM LIABILITIES	
Obligations under operating leases, net of current maturities	<u>111,629</u>
Total liabilities	<u>155,972</u>
NET ASSETS	
Without donor restrictions	14,868
With donor restrictions	<u>83,801</u>
Total net assets	<u>98,669</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 254,641</u>

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

SAFE HAVYNN EDUCATION CENTER

Statement of Activities
Year Ended September 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue:			
Grants:			
Government grants	\$ -	\$ 904,735	\$ 904,735
Total grants	-	904,735	904,735
Contributions and support:			
Other and miscellaneous	-	2,353	2,353
Interest income	<u>10</u>	<u>-</u>	<u>10</u>
Total contributions and support	<u>10</u>	<u>2,353</u>	<u>2,363</u>
Total revenue	10	907,088	907,098
Released from Restrictions	14,848	(14,848)	
Expenses:			
Program services	-	807,796	807,796
Administrative	<u>-</u>	<u>67,871</u>	<u>67,871</u>
Total expenses	<u>-</u>	<u>875,667</u>	<u>875,667</u>
INCREASE IN NET ASSETS	14,858	16,573	31,431
NET ASSETS, beginning	<u>10</u>	<u>67,228</u>	<u>67,238</u>
NET ASSETS, ending	<u>\$ 14,868</u>	<u>\$ 83,801</u>	<u>\$ 98,669</u>

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

SAFE HAVYNN EDUCATION CENTER

Statement of Functional Expenses
Year Ended September 30, 2023

	Program Services	General and Admin	Total
Advertising	\$ 40,431	\$ -	\$ 40,431
Audit and filing taxes	26,500		\$ 26,500
Bank charges	195	-	195
Contract labor	30,707	-	30,707
Depreciation expense	-	7,765	7,765
Education and training	15,350	-	15,350
Employee benefits	-	24,714	24,714
Insurance	60,797	-	60,797
Management and admin	4,867	-	4,867
Meals	30,714	-	30,714
Miscellaneous	72,625	-	72,625
Office expenses	-	16,773	16,773
Legal and professional	50,141	-	50,141
Operating lease cost	39,783		39,783
Rent	1,228	-	1,228
Repairs and maintenance	9,252	-	9,252
Salaries, benefits and payroll taxes	346,274	18,619	364,893
Supplies	18,305	-	18,305
Taxes	29,637	-	29,637
Travel and mileage	23,798	-	23,798
Utilities	7,192	-	7,192
	<u>\$ 807,796</u>	<u>\$ 67,871</u>	<u>\$ 875,667</u>

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

SAFE HAVYNN EDUCATION CENTER

Statement of Cash Flows
Year Ended September 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 31,431
Adjustments to reconcile change in net assets to net cash provided in operating activities:	
Depreciation expense	7,765
Rent expense in excess of cash paid	3,533
(Increase) decrease in:	
Prepaid expenses	(3,250)
Increase (decrease) in:	
Accrued payroll liabilities	(38)
Accrued expenses	<u>(2,688)</u>
Net cash provided by operating activities	<u>36,753</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Net purchases of fixed assets	<u>(8,132)</u>
Net cash used by investing activities	<u>(8,132)</u>
Net increase in cash	<u>28,621</u>
CASH, beginning of year	<u>43,821</u>
CASH, end of year	<u>\$ 72,442</u>

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

NOTES TO THE FINANCIAL STATEMENTS

SAFE HAVYNN EDUCATION CENTER
Lafayette, Louisiana

Notes to Financial Statements

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

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

Basis of Presentation

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

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

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

Basis of Accounting

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

Public Support and Revenue

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

Revenue Recognition

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

SAFE HAVYNN EDUCATION CENTER
Lafayette, Louisiana

Notes to Financial Statements

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

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

As per the matching principle, any budgeted amount not received and not requested within 60 days of period end, is not considered deferred. At September 30, 2023, the Organization had deferred revenue of \$0.

Cash and Cash Equivalents

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

Advertising

Advertising costs are expensed as incurred. Advertising expense was \$40,431 for the year ended September 30, 2023.

Compensated Absences

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

Uses of Estimates

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

SAFE HAVYNN EDUCATION CENTER
Lafayette, Louisiana

Notes to Financial Statements

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

Income Tax Exemption

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

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

Property and Equipment

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

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

	<u>Years</u>
Leasehold improvements	15
Automobiles	5

Depreciation expense was \$7,765 for the year ended September 30, 2023.

SAFE HAVYNN EDUCATION CENTER
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Notes to Financial Statements

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

Adoption of FASB ACS 842

Effective October 1, 2022 the Organization adopted FASB ASC 842, *Leases*. The new accounting standard requires the recognition on the balance sheet of right-of-use assets and lease liabilities for all leases having an original term of longer than twelve months. The Organization elected the optional transition method that allows the Organization to apply the provisions of the standard at the effective date without adjusting the comparative periods. As allowed under the new accounting standard, the Organization also elected certain practical expedients provided by the new standard, including not recording as asset or liability for leases having a term of twelve months or less. The lease asset is reflected within other noncurrent assets, and the current and noncurrent portions of the lease liability are reflected within other liabilities and other noncurrent liabilities, respectively on the balance sheet.

The adoption of FASB ASC 842 resulted in the recognition of right-of-use assets of \$173,143 and lease liabilities of \$173,143 as of October 1, 2022. Results for periods beginning prior to October 1, 2022 continue to be reported in accordance with the historical accounting treatment.

Subsequent Events

Management has evaluated subsequent events through January 23, 2024, the date the financial statements were available to be issued.

NOTE 2 AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets available for general expenditures, that is, without donor or other restrictions limiting their use as of September 30, 2023:

Cash and cash equivalents	\$ 72,442
Prepaid expenses	<u>3,250</u>
Total financial assets available to meet general expenditures over the next twelve months	<u>\$ 75,692</u>

NOTE 3 PROPERTY AND EQUIPMENT

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

SAFE HAVYNN EDUCATION CENTER
Lafayette, Louisiana

Notes to Financial Statements

NOTE 3 PROPERTY AND EQUIPMENT (CONTINUED)

Property and equipment consisted of the following at September 30, 2023:

Assets being depreciated:	
Leasehold improvements	\$ 8,132
Vehicles	<u>38,598</u>
Total assets being depreciated	46,730
Less accumulated depreciation	<u>(8,408)</u>
Assets being depreciated, net	<u>38,322</u>
Total assets, net	<u>\$ 38,322</u>

NOTE 4 COMPENSATION OF BOARD OF DIRECTORS

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

NOTE 5 CONCENTRATIONS

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

NOTE 6 CONCENTRATION OF CREDIT RISK

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

NOTE 7 LEASES

The Organization leases office space under an operating lease through August 31, 2027. As the Organization's leases typically do not contain a readily determinable implicit rate, the Organization determines the present value of the lease liability using its incremental borrowing rate at the lease commencement date.

SAFE HAVYNN EDUCATION CENTER
Lafayette, Louisiana

Notes to Financial Statements

NOTE 7 LEASES (CONTINUED)

The following summarizes the line items in the balance sheet which include amounts for operating leases as of September 30, 2023:

Operating lease right-of-use assets	\$ 140,627	
		<u> </u>
Current portion of operating lease liabilities	\$ 32,531	
Non-current portion of operating lease liabilities	111,629	
Total operating lease liabilities	\$ 144,160	<u> </u>

The components of operating lease expense that are included in the statement of activities for the year ended September 30, 2023 were as follows:

	General and Administrative	
Operating lease cost		\$ 39,783
		<u> </u>

The following summarizes the cash flow information related to operating leases for the year ended September 30, 2023:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows for operating leases	\$ 36,250
	<u> </u>

Weighted average lease term and discount rate as of September 30, 2023, were as follows:

Weighted average remaining lease term	3.9 years
Weighted average discount rate	5.00%

The maturities of operating lease liabilities as of September 30, 2023, were as follows:

2024	\$ 39,000	
2025	39,275	
2026	42,300	
2027	38,776	
Total lease payments	159,351	
Less: interest	(15,191)	
Present value of lease liability	\$ 144,160	<u> </u>

SAFE HAVYNN EDUCATION CENTER
Lafayette, Louisiana

Notes to Financial Statements

NOTE 8 CONTINGENCIES – GRANT PROGRAMS

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

NOTE 9 COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO DIRECTOR

A detail of compensation, benefits, and other payments made to the executive director Elizabeth Moore for the year ended September 30, 2023.

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 130,006
Benefits - insurance and retirement	12,730
Total	<u>\$ 142,736</u>

NOTE 10 RETIREMENT PLAN

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

Each year, the employer may make contributions at the option of the Company's management. Participants may contribute up to the amount required by law. The Company's match was \$24,714 for the year ended September 30, 2023.

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



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Safe Havynn Education Center (the Organization) (a nonprofit organization), which comprise the statement of financial position as of September 30, 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 January 23, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document; therefore its distribution is not limited.

Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Lafayette, Louisiana

January 23, 2024

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

The Board of Directors
Safe Havynn Education Center
Lafayette, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Safe Havynn Education Center's (the Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended September 30, 2023. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

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

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Lafayette, Louisiana

January 23, 2024

SAFE HAVYNN EDUCATION CENTER
Lafayette, Louisiana

Schedule of Expenditures of Federal Awards
Year Ended September 30, 2023

<u>Federal Grantor/Pass-Through Grantor/Program Name</u>	<u>Grantor Project Number</u>	<u>Assistance Listing Number</u>	<u>Federal Expenditures</u>
Department of Health and Human Services Administration for Children and Families Sexual Risk Avoidance Education	90SR0094-02-00	93.060	\$ 7,707
Department of Health and Human Services Administration for Children and Families Sexual Risk Avoidance Education	90SR0094-03-01	93.060	\$ 464,188
Department of Health and Human Services Administration for Children and Families Sexual Risk Avoidance Education	90SR0147-02-00	93.060	361,786
Department of Health and Human Services Administration for Children and Families Sexual Risk Avoidance Education	90SR0147-01-00	93.060	<u>50,057</u>
Total Department of Health and Human Services			<u><u>883,738</u></u>
Total Expenditures of Federal Awards			<u><u>\$ 883,738</u></u>

SAFE HAVYNN EDUCATION CENTER
Lafayette, Louisiana

Notes to the Schedule of Expenditures of Federal Awards
Year Ended September 30, 2023

NOTE 1 BASIS OF PRESENTATION

The schedule of expenditures of federal awards includes the federal grant activity of the Safe Havynn Education Center (the Organization) under programs of the federal government for the year ended September 30, 2023. The information in this schedule is presented in accordance with the requirements of *OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position or changes in net assets of the Organization.

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

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

NOTE 4 INDIRECT COST RATE

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

SAFE HAVYNN EDUCATION CENTER
Lafayette, Louisiana

Summary Schedule of Prior Year Findings
Year Ended September 30, 2023

This section is not applicable for the year ended September 30, 2023.

SAFE HAVYNN EDUCATION CENTER
Lafayette, Louisiana

Schedule of Findings and Responses
Year Ended September 30, 2023

Part 1: Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report – Financial Statements

An unmodified opinion has been issued on Safe Havynn Education Center's financial statements as of and for the year ended September 30, 2023.

Deficiencies in Internal Control – Financial Reporting

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

Noncompliance – Financial Reporting

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

FEDERAL AWARDS

Auditor's Report – Major Programs

An unmodified opinion has been issued on Safe Havynn Education Center's compliance with the requirements of its major programs as of and for the year ended September 30, 2023.

Risk Consideration

The Organization was considered a low-risk auditee for the year ended September 30, 2023.

Major Programs – Identification:

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

The dollar threshold to distinguish between Type A and Type B programs was \$750,000 for the fiscal year ended September 30, 2023. The Organization had one Type A programs for the year.

Deficiencies in Internal Control – Major Programs

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

Noncompliance – Major Programs

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

MANAGEMENT LETTER

A management letter was not issued for the fiscal year ended September 30, 2023.

SAFE HAVYNN EDUCATION CENTER
Lafayette, Louisiana

Schedule of Findings and Responses (Continued)
Year Ended September 30, 2023

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

This section is not applicable for the year ended September 30, 2023.

Part 3: Findings and Questioned Costs Relating to Federal Programs

This section is not applicable for the year ended September 30, 2023.

SAFE HAVYNN EDUCATION CENTER
Lafayette, Louisiana

Management's Corrective Action Plan for Current Year Findings
Year Ended September 30, 2023

This section is not applicable for the year ended September 30, 2023.

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
Save Havynn Education Center
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 October 1, 2022 through September 30, 2023. Safe Havynn Education Center (Entity's) management is responsible for those control and compliance areas identified in the SAUPs.

The Entity has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the control and compliance areas identified in LLA's SAUPs for the fiscal period October 1, 2022 through September 30, 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.
Written policies and procedures were obtained and do address the functions noted above.
 - 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.
Written policies and procedures were obtained and do address the functions noted above.
 - 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).
Written policies and procedures were obtained and do address the functions noted above.

- 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.
Written policies and procedures were obtained and do address the functions noted above.
- 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.
This section is not applicable for nonprofit organizations.

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 (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.

- B. 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.

- C. 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.

No exceptions noted.

- D. 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.* 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 for 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.

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. 42:342-344.

- 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. 42:342-344.

- 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. 42:342-344.

- 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 Safe Havynn Education Center 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 Safe Havynn Education Center 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
January 23, 2024