

**AFFILIATED BLIND OF LOUISIANA
TRAINING CENTER, INC.**

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

**AFFILIATED BLIND OF LOUISIANA
TRAINING CENTER, INC.**

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OTHER LOCATIONS:

Eunice Morgan City Abbeville

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Affiliated Blind of Louisiana Training Center, Inc.
Lafayette, Louisiana

Opinion

We have audited the accompanying financial statements of Affiliated Blind of Louisiana Training Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, 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 Affiliated Blind of Louisiana Training Center, Inc. as of June 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 Affiliated Blind of Louisiana Training 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 Affiliated Blind of Louisiana Training 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.

Prior Period Financial Statements

The financial statements of Affiliated Blind of Louisiana Training Center, Inc. as of June 30, 2022, were audited by other auditors whose report dated November 28, 2022, expressed an unmodified opinion on those statements.

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 Affiliated Blind of Louisiana Training 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 Affiliated Blind of Louisiana Training 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2023, on our consideration of Affiliated Blind of Louisiana Training Center, Inc. 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 Affiliated Blind of Louisiana Training 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 Affiliated Blind of Louisiana Training Center, Inc.'s internal control over financial reporting and compliance.

Darnall, Sikes & Frederck

A Corporation of Certified Public Accountants

Lafayette, Louisiana
December 6, 2023

AFFILIATED BLIND OF LOUISIANA TRAINING CENTER, INC.

**STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022**

ASSETS

| | <u>2023</u> | <u>2022</u> |
|-------------------------------------|---------------------|---------------------|
| CURRENT ASSETS | | |
| Cash and Interest Bearing Deposits | \$ 614,539 | \$ 637,999 |
| Due from Other Agencies | 223,131 | 342,720 |
| Income Tax Receivable | - | 800 |
| Other Receivables | 107,723 | 115,401 |
| Inventory | 25,274 | 48,668 |
| Prepaid Insurance | 1,339 | 1,083 |
| Prepaid Expenses | <u>16,002</u> | <u>14,515</u> |
| Total Current Assets | <u>988,008</u> | <u>1,161,186</u> |
| PROPERTY AND EQUIPMENT (NET) | <u>1,589,043</u> | <u>1,706,233</u> |
| OTHER ASSETS | | |
| Deposits | <u>1,025</u> | <u>1,025</u> |
| Total Other Assets | <u>1,025</u> | <u>1,025</u> |
| TOTAL ASSETS | <u>\$ 2,578,076</u> | <u>\$ 2,868,444</u> |

LIABILITIES AND NET ASSETS

| | | |
|---|---------------------|---------------------|
| CURRENT LIABILITIES | | |
| Accounts Payable | \$ 19,026 | \$ 33,000 |
| Accrued Payroll and Related Liabilities | 37,779 | 28,217 |
| Accrued Compensated Absences | 38,002 | 42,441 |
| Deferred revenue | 35,268 | - |
| Other Current Liabilities | <u>445</u> | <u>395</u> |
| Total Current Liabilities | <u>130,520</u> | <u>104,053</u> |
| TOTAL LIABILITIES | <u>130,520</u> | <u>104,053</u> |
| NET ASSETS | | |
| Without Donor Restrictions | 1,529,176 | 1,748,982 |
| With Donor Restrictions | <u>918,380</u> | <u>1,015,409</u> |
| Total Net Assets | <u>2,447,556</u> | <u>2,764,391</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 2,578,076</u> | <u>\$ 2,868,444</u> |

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

AFFILIATED BLIND OF LOUISIANA TRAINING CENTER, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|--------------|
| WITHOUT DONOR RESTRICTIONS | | | |
| PUBLIC SUPPORT | | | |
| Donations | \$ 268,768 | \$ - | \$ 268,768 |
| Less: Donation from Special Gaming Fund | (22,400) | - | (22,400) |
| Net Donations | 246,368 | - | 246,368 |
| Fundraising | 1,763,324 | - | 1,763,324 |
| Total Public Support | 2,009,692 | - | 2,009,692 |
| REVENUES | | | |
| Fee for Service | 357,268 | - | 357,268 |
| Governmental Grants | 641,980 | - | 641,980 |
| Appropriations | 500,000 | - | 500,000 |
| Private Contracts | 295,044 | - | 295,044 |
| Miscellaneous | 18,502 | - | 18,502 |
| Interest | 6,364 | - | 6,364 |
| Total Revenues | 1,819,158 | - | 1,819,158 |
| NET ASSETS RELEASED FROM RESTRICTIONS | | | |
| Donor Restrictions | 75,000 | (75,000) | - |
| Net Inventory Purchased (Used) | 22,029 | (22,029) | - |
| TOTAL PUBLIC SUPPORT AND REVENUES AND RELEASED FROM RESTRICTIONS | 3,925,879 | (97,029) | 3,828,850 |
| EXPENSES AND LOSSES | | | |
| Program Services | 2,024,219 | - | 2,024,219 |
| Supporting Services | | | |
| Management and General | 368,087 | - | 368,087 |
| Special Gaming Fundraising | 1,753,379 | - | 1,753,379 |
| Total Expenses | 4,145,685 | - | 4,145,685 |
| CHANGE IN NET ASSETS | (219,806) | (97,029) | (316,835) |
| NET ASSETS AT BEGINNING OF YEAR | 1,748,982 | 1,015,409 | 2,764,391 |
| NET ASSETS AT END OF YEAR | \$ 1,529,176 | \$ 918,380 | \$ 2,447,556 |

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

AFFILIATED BLIND OF LOUISIANA TRAINING CENTER, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|--------------|
| WITHOUT DONOR RESTRICTIONS | | | |
| PUBLIC SUPPORT | | | |
| Donations | \$ 251,733 | \$ - | \$ 251,733 |
| Less: Donation from Special Gaming Fund | (59,123) | - | (59,123) |
| Net Donations | 192,610 | - | 192,610 |
| Fundraising | 1,617,230 | - | 1,617,230 |
| Total Public Support | 1,809,840 | - | 1,809,840 |
| REVENUES | | | |
| Fee for Service | 264,457 | - | 264,457 |
| Governmental Grants | 439,887 | - | 439,887 |
| Appropriations | 500,000 | - | 500,000 |
| Private Contracts | 201,562 | - | 201,562 |
| Forgiveness of PPP Loan | 201,906 | - | 201,906 |
| Miscellaneous | 6,475 | - | 6,475 |
| Interest | 2,768 | - | 2,768 |
| Total Revenues | 1,617,055 | - | 1,617,055 |
| NET ASSETS RELEASED FROM RESTRICTIONS | | | |
| Donor Restrictions | 75,000 | (75,000) | - |
| Net Inventory Purchased (Used) | 23,125 | (23,125) | - |
| TOTAL PUBLIC SUPPORT AND REVENUES AND RELEASED FROM RESTRICTIONS | 3,525,020 | (98,125) | 3,426,895 |
| EXPENSES AND LOSSES | | | |
| Program Services | 1,711,586 | - | 1,711,586 |
| Supporting Services | | | |
| Management and General | 330,834 | - | 330,834 |
| Special Gaming Fundraising | 1,558,707 | - | 1,558,707 |
| Total Expenses | 3,601,127 | - | 3,601,127 |
| CHANGE IN NET ASSETS | (76,107) | (98,125) | (174,232) |
| NET ASSETS AT BEGINNING OF YEAR | 1,825,089 | 1,113,534 | 2,938,623 |
| NET ASSETS AT END OF YEAR | \$ 1,748,982 | \$ 1,015,409 | \$ 2,764,391 |

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

AFFILIATED BLIND OF LOUISIANA TRAINING CENTER, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023**

| | PROGRAM SERVICES | SUPPORTING SERVICES | | TOTAL |
|-----------------------------------|---------------------|----------------------------------|------------------------------|---------------------|
| | | SPECIAL GAMING FUNDRAISING | MANAGEMENT AND GENERAL | |
| Compensation and Related Expenses | | | | |
| Salaries | \$ 887,282 | \$ 44,636 | \$ 114,057 | \$ 1,045,975 |
| Retirement Plan Matching | 14,302 | - | 3,858 | 18,160 |
| Payroll Taxes | 65,288 | - | 7,913 | 73,201 |
| | <u>966,872</u> | <u>44,636</u> | <u>125,828</u> | <u>1,137,336</u> |
| Advertising | 4,329 | - | 215 | 4,544 |
| Alarm Monitoring | 320 | - | 321 | 641 |
| Client Services | 11,394 | - | 2,208 | 13,602 |
| Contract Services | 379,973 | - | 8,709 | 388,682 |
| Depreciation | 128,643 | - | - | 128,643 |
| Equipment Rental | 3,551 | - | 1,534 | 5,085 |
| Exterminator | 1,823 | - | 1,824 | 3,647 |
| Fuel | 3,003 | - | - | 3,003 |
| Garbage Collection | 6,538 | - | - | 6,538 |
| Insurance | 77,243 | - | 121,287 | 198,530 |
| Janitorial | 34,244 | 10,700 | 20,705 | 65,649 |
| Legal and Accounting | 30,257 | 1,560 | 18,066 | 49,883 |
| Low Vision Evaluations | 19,000 | - | - | 19,000 |
| Miscellaneous | (442) | 2,030 | 3,460 | 5,048 |
| Office Expense | 9,748 | - | 5,652 | 15,400 |
| Prizes | - | 1,384,154 | - | 1,384,154 |
| Repairs and Maintenance | 69,316 | - | 4,791 | 74,107 |
| Session Fees | - | 58,150 | - | 58,150 |
| Security | - | 19,471 | 308 | 19,779 |
| Supplies and Materials | 220,513 | 232,678 | 1,331 | 454,522 |
| Telephone | 15,140 | - | 12,931 | 28,071 |
| Training | (705) | - | 271 | (434) |
| Travel | 13,530 | - | 2,180 | 15,710 |
| Utilities | 29,929 | - | 36,466 | 66,395 |
| | <u>2,024,219</u> | <u>1,753,379</u> | <u>368,087</u> | <u>\$ 4,145,685</u> |
| TOTAL | \$ 2,024,219 | \$ 1,753,379 | \$ 368,087 | \$ 4,145,685 |

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

AFFILIATED BLIND OF LOUISIANA TRAINING CENTER, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022**

| | PROGRAM SERVICES | SUPPORTING SERVICES | | TOTAL |
|-----------------------------------|---------------------|----------------------------------|------------------------------|---------------------|
| | | SPECIAL GAMING FUNDRAISING | MANAGEMENT AND GENERAL | |
| Compensation and Related Expenses | | | | |
| Salaries | \$ 684,436 | \$ 38,095 | \$ 128,003 | \$ 850,534 |
| Retirement Plan Matching | 14,103 | - | 4,184 | 18,287 |
| Payroll Taxes | 50,072 | - | 9,090 | 59,162 |
| | <u>748,611</u> | <u>38,095</u> | <u>141,277</u> | <u>927,983</u> |
| Advertising | 4,418 | 120 | 767 | 5,305 |
| Alarm Monitoring | 330 | - | 330 | 660 |
| Client Services | 11,040 | - | 3,761 | 14,801 |
| Contract Services | 319,654 | - | 3,916 | 323,570 |
| Depreciation | 150,458 | - | - | 150,458 |
| Equipment Rental | 2,997 | - | 1,437 | 4,434 |
| Exterminator | 1,797 | - | 1,798 | 3,595 |
| Fuel | 3,873 | - | - | 3,873 |
| Garbage Collection | 5,367 | - | - | 5,367 |
| Insurance | 68,495 | - | 65,456 | 133,951 |
| Janitorial | 26,789 | 9,100 | 20,390 | 56,279 |
| Legal and Accounting | 10,941 | 1,115 | 31,262 | 43,318 |
| Low Vision Evaluations | 23,875 | - | - | 23,875 |
| Miscellaneous | 3,154 | 1,339 | 3,908 | 8,401 |
| Office Expense | 3,268 | - | 4,314 | 7,582 |
| Prizes | - | 1,254,293 | - | 1,254,293 |
| Repairs and Maintenance | 49,868 | - | 4,320 | 54,188 |
| Session Fees | - | 49,350 | - | 49,350 |
| Security | - | 17,420 | - | 17,420 |
| Supplies and Materials | 233,650 | 186,794 | 3,124 | 423,568 |
| Taxes | - | 1,081 | - | 1,081 |
| Telephone | 14,237 | - | 13,955 | 28,192 |
| Training | 1,860 | - | 845 | 2,705 |
| Travel | 2,771 | - | 474 | 3,245 |
| Utilities | 24,133 | - | 29,500 | 53,633 |
| | <u>748,611</u> | <u>38,095</u> | <u>141,277</u> | <u>927,983</u> |
| TOTAL | \$ <u>1,711,586</u> | \$ <u>1,558,707</u> | \$ <u>330,834</u> | \$ <u>3,601,127</u> |

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

AFFILIATED BLIND OF LOUISIANA TRAINING CENTER, INC.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

| | <u>2023</u> | <u>2022</u> |
|---|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in Net Assets | \$ (316,835) | \$ (174,232) |
| Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities: | | |
| PPP Loan Forgiveness | - | (201,906) |
| Depreciation | 128,643 | 150,458 |
| Changes in Current Assets and Liabilities: | | |
| Due from Other Agencies | 119,589 | (90,442) |
| Income Tax Receivable | 800 | (800) |
| Other Receivables | 7,678 | 19,723 |
| Inventory | 23,394 | 26,795 |
| Prepaid Insurance | (256) | 683 |
| Prepaid Expenses | (1,487) | (3,589) |
| Accounts Payable | (13,974) | 16,092 |
| Accrued Payroll and Related Liabilities | 9,562 | 6,585 |
| Accrued Compensated Absences | (4,439) | 575 |
| Deferred revenue | 35,268 | - |
| Other Current Liabilities | <u>50</u> | <u>40</u> |
| Net Cash Used In Operating Activities | <u>(12,007)</u> | <u>(250,018)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | <u>(11,453)</u> | <u>(34,123)</u> |
| Net Cash Used In Investing Activities | <u>(11,453)</u> | <u>(34,123)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net Cash Provided By Financing Activities | <u>-</u> | <u>-</u> |
| NET DECREASE IN CASH AND EQUIVALENTS | (23,460) | (284,141) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>637,999</u> | <u>922,140</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 614,539</u> | <u>\$ 637,999</u> |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION | | |
| Cash paid during the year for: | | |
| Interest Expense | <u>\$ -</u> | <u>\$ -</u> |

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

**AFFILIATED BLIND OF LOUISIANA
TRAINING CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization – Affiliated Blind of Louisiana Training Center, Inc. (the “Organization”) was incorporated on September 10, 1997 to operate the Training Center which was previously operated by Affiliated Blind of Louisiana, Inc. The Organization took over operation of the Training Center effective October 1, 1997. The mission of the Training Center is to teach skills required to maximize the independence and increase the employability of individuals who are blind, visually-impaired, or deaf-blind, thereby allowing for full integration into the community.

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 without donor restrictions and net assets with donor restrictions.

Basis of Accounting – The financial statements of Affiliated Blind of Louisiana Training Center, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Revenue – Fee for service contract revenue is recognized as services are provided. Grant and state appropriation revenue are recognized when the related expenses are incurred and all eligibility requirements imposed by the provider have been met.

Recognition of Donor Restrictions – Contributions are recognized as revenue when the donor makes a promise to give the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Allowance for Doubtful Accounts – The Organization considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

Property and Equipment – Purchased property and equipment are recorded at cost at the date of the acquisition. Property and equipment purchased with grant funds are recorded as temporarily restricted contributions. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. In the absence of donor stipulations regarding how long the contributed assets must be used, the Organization has adopted a policy of implying a time restriction that expires over the useful life of the assets. Depreciation is computed by the straight-line method based on the following estimated useful lives:

| | |
|---------------------------|-------------|
| Furniture and Equipment | 3-7 Years |
| Building and Improvements | 10-40 Years |
| Vehicles | 5 Years |

**AFFILIATED BLIND OF LOUISIANA
TRAINING CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Compensated Absences – Employees of the Organization earn annual leave in varying amounts ranging from 4.67 hours per month to 8 hours per month, depending on length of service. At the end of each year, employees may carry forward vacation time earned but not taken with the maximum allowable carryover of unused vacation time being equal to one year’s accumulated vacation time. Subject to the above limitation, unused vacation is paid to an employee upon retirement or resignation at hourly rates being earned by that employee at separation. At June 30, 2023 and 2022, accrued annual leave totaled \$38,002 and \$42,441, respectively.

Sick leave is earned at the same rate as annual leave; however, sick leave is not paid to employees at termination, therefore no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

Cash and Cash Equivalents – For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Inventories – Inventories consist of low vision training aids and supplies, cafeteria and vending supplies and items for sale at the Eye Deal Store and are stated at the lower of cost or realizable market.

Deferred Revenue – Deferred revenue represents state appropriations received for which the related expenses have not been incurred by the Organization. At June 30, 2023 and 2022, deferred revenue totaled \$35,268 and \$0, respectively.

Donated Services – The Organization receives donated services from unpaid volunteers who assist in program services during the year; however, these donated services are not reflected in the statement of activity because the criteria for recognition under Accounting Standards Codification (ASC) 958-605-25-16 have not been satisfied.

Advertising – Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2023 and 2022 were \$4,544 and \$5,305, respectively.

Income Taxes – Affiliated Blind of Louisiana Training Center, Inc. is an exempt organization for Federal income tax purposes under section 501(c)(3) of the Internal Revenue Code.

As of June 30, 2023, the tax years that remain subject to examination by taxing authorities begin with 2020. Management believes that all positions taken in those returns would be sustained if examined by taxing authorities.

Impairments – Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. Long-lived assets were tested for impairment as of June 30, 2023, and in the opinion of management, there was no impairment. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management’s estimate of the recoverability of these assets.

**AFFILIATED BLIND OF LOUISIANA
TRAINING CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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

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 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.

Net Assets – Net assets, revenue, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net Assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of Affiliated Blind of Louisiana Training Center, Inc.’s management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Affiliated Blind of Louisiana Training Center, Inc. or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Leases – Effective July 1, 2022, the Organization adopted FASB 842, *Leases*. The new accounting standard requires the recognition on the Statement of Financial Position of right-of-use assets and lease liabilities for operating leases. The Organization elected to adopt this standard and utilized all of the available practical expedients. The adoption, however, did not have an impact on the Organization’s financial statements.

**AFFILIATED BLIND OF LOUISIANA
TRAINING CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 2 AFFILIATED ORGANIZATIONS

Affiliated Blind of Louisiana Enterprises, Inc., Affiliated Blind of Louisiana, Inc. and Acadiana Chapter are all not for profit organizations that manage bingo operations and contribute 75% of their profits to the Organization. The following direct monetary transactions were engaged in as of and for the years ended June 30, 2023 and 2022:

| | 2023 | 2022 |
|---|------------|------------|
| Contributions from: | | |
| Affiliated Blind of Louisiana Enterprises, Inc. | \$ 55,500 | \$ 53,600 |
| Affiliated Blind of Louisiana | 51,000 | 116,006 |
| Other Chapters | 7,500 | 36,000 |
| | \$ 114,000 | \$ 205,606 |

Balances due from affiliated organizations at June 30, 2023 and 2022 were \$6,438 and \$5,567, respectively. These amounts are included in other receivables on the statements of financial position.

NOTE 3 FIXED ASSETS

Property and equipment consisted of the following at June 30, 2023 and 2022:

| | 2023 | 2022 |
|--------------------------------|--------------|--------------|
| Land | \$ 292,500 | \$ 292,500 |
| Buildings and Improvements | 4,562,767 | 4,562,767 |
| Furniture and Equipment | 927,334 | 915,881 |
| Vehicles | 75,354 | 75,354 |
| | 5,857,955 | 5,846,502 |
| Less: Accumulated Depreciation | (4,268,912) | (4,140,269) |
| Total | \$ 1,589,043 | \$ 1,706,233 |

Total depreciation expense for the years ended June 30, 2023 and 2022 was \$128,643 and \$150,458, respectively.

**AFFILIATED BLIND OF LOUISIANA
TRAINING CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 4 DUE FROM OTHER AGENCIES

Due from other agencies was composed of the following at June 30, 2023 and 2022:

| | <u>2023</u> | <u>2022</u> |
|--|-------------------|-------------------|
| Louisiana Rehabilitation Services for the Blind | \$ 56,801 | \$ 84,932 |
| Louisiana Commission for the Deaf | 13,316 | 9,196 |
| Louisiana Department of Health and Hospitals | 80,587 | 52,586 |
| State of Louisiana Appropriation | - 0 - | 113,132 |
| Federal Communications Commission: Deaf-Blind Equipment Distribution Program | 72,235 | 69,918 |
| Other Agencies | <u>192</u> | <u>12,956</u> |
| | <u>\$ 223,131</u> | <u>\$ 342,720</u> |

NOTE 5 PAYCHECK PROTECTION PROGRAM

On January 28, 2021, the Organization received loan proceeds in the amount of \$201,906 under the Paycheck Protection Program (“PPP”). Established as part of the Coronavirus Aid, Relief and Economic Security Act (“Cares Act”), the PPP provides for loans to qualifying businesses in the amounts up to 2.5 times the business’s average monthly payroll expenses. PPP loans and accrued interest are forgivable after a “covered period” (eight or 24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over five years at an interest rate of 1%, with a deferral of payments for 10 months after then end of the covered period. The Organization intends to use PPP loan proceeds for purposes consistent with the PPP and apply for forgiveness within 10 months of the end of the covered period.

To the extent that the Organization is not granted forgiveness, the Organization will be required to pay interest on the PPP loan at a rate of 1% per annum. If the application for forgiveness is not made within 10 months of the end of the covered period, payments of principal and interest will be required through the maturity date December 28, 2026. The terms of the loan provide for customary events of default, including payment defaults, breach of representation of warranties, and insolvency events. The PPP loan may be accelerated upon the occurrence of a default event.

On November 15, 2021, the SBA notified the Organization the loan was forgiven. The full amount of the loan of \$201,906 has been recorded as revenue within the Statement of Activities for the year ended June 30, 2022.

**AFFILIATED BLIND OF LOUISIANA
TRAINING CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes or periods as of June 30, 2023 and 2022:

| | 2023 | 2022 |
|--------------------------------------|------------|--------------|
| Net Book Value of Building | | |
| Constructed with Federal Grant Funds | \$ 900,000 | \$ 975,000 |
| Inventory | 18,380 | 40,409 |
| | \$ 918,380 | \$ 1,015,409 |

NOTE 7 NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or the expiration of time as follows:

| | 2023 | 2022 |
|--------------------------------|-------------|-------------|
| Time Restriction Expired: | | |
| Building Depreciation | (\$ 75,000) | (\$ 75,000) |
| Net Inventory Purchased (Used) | (22,029) | (23,125) |
| | (\$ 97,029) | (\$ 98,125) |

NOTE 8 PENSION PLAN

Effective January 1, 1998, the Organization adopted a 401(k) Profit Sharing Plan. The plan covers substantially all full-time employees of the Organization who meet the plan's eligibility requirements. The Plan provides for a tax deferred profit sharing contribution and an employee elective contribution, effective August 1, 1998, with an Organization matching provision.

The Organization contributed 4% of gross salaries for each Plan participant in fiscal years 2023 and 2022. Participants may contribute up to 15% of annual compensation. Contributions made by the Organization to the Plan were \$18,160 and \$18,287, during the 2023 and 2022 fiscal years, respectively.

NOTE 9 CONCENTRATION OF CREDIT RISK

The Organization's main funding source is the State of Louisiana. Funding is received through State appropriations, fee for service contracts, and other grants. For the years ended June 30, 2023 and 2022, funding received from the State of Louisiana was \$1,557,354 and \$1,065,159 or 40.67% and 31.08%, respectively, of total revenues, gains, and other support.

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and investments. The Organization places its cash and investments with high quality financial institutions. At June 30, 2023 and 2022, the Organization had cash and cash equivalent balances of \$449,882 and \$434,082, respectively, in excess of the FDIC limits at these financial institutions.

**AFFILIATED BLIND OF LOUISIANA
TRAINING CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 10 COMPENSATION, BENEFITS AND OTHER PAYMENTS

A detail of compensation, benefits, and other payments paid to Lynn Blanchard, Executive Director, for the year ended June 30, 2023:

| Purpose | Amount |
|-----------------------|-----------|
| Salary | \$ 77,522 |
| Benefits – Retirement | \$ 3,101 |

NOTE 11 LIQUIDITY AND AVAILABILITY

The Organization strives to maintain liquid financial assets sufficient to cover ninety days of general expenditures. Financial assets in excess of daily cash requirements are invested in interest bearing deposits and money market funds.

The following table reflects the Organization’s financial assets as of June 30, 2023 and 2022. 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 statement of financial position.

| | 2023 | 2022 |
|---|------------|--------------|
| Cash and Interest-Bearing Deposits | \$ 614,539 | \$ 637,999 |
| Due from Other Agencies | 223,131 | 342,720 |
| Other Receivables | 107,723 | 115,401 |
| Financial Assets Available to Meet Cash Needs For General Expenditures Within One Year | \$ 945,393 | \$ 1,096,120 |

NOTE 12 SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through December 6, 2023, the date which the financial statements were available to be issued.

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
Affiliated Blind of Louisiana Training 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 Affiliated Blind of Louisiana Training Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 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 December 6, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Affiliated Blind of Louisiana Training 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 Affiliated Blind of Louisiana Training Center, Inc.'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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Affiliated Blind of Louisiana Training 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 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.

Darnall, Sikes & Frederck

A Corporation of Certified Public Accountants

Lafayette, Louisiana

December 6, 2023

**AFFILIATED BLIND OF LOUISIANA
TRAINING CENTER, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

We have audited the financial statements of Affiliated Blind of Louisiana Training Center, Inc. as of and for the year ended June 30, 2023, and have issue our report thereon dated December 6, 2023. 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 Comptroller General of the United States. Our audit of the financial statements of June 30, 2023 resulted in an unqualified opinion.

Section I – Summary of Auditor’s Reports

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

Internal Control

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

Compliance

| | | |
|---|---------|--|
| Compliance Material to Financial Statements | ___ Yes | ___ <input checked="" type="checkbox"/> No |
|---|---------|--|

Section II – Financial Statement Findings

There were no current year findings.

Section III – Federal Award Findings and Questioned Costs

This section in not applicable.

**AFFILIATED BLIND OF LOUISIANA
TRAINING CENTER, INC.**

**SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

There were no prior year findings.

Affiliated Blind of Louisiana Training Center, Inc.
Lafayette, Louisiana

Independent Accountants' Report
On Applying Agreed-Upon Procedures

Year Ended June 30, 2023

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors and Management
Affiliated Blind of Louisiana Training Center, Inc.
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. The Affiliated Blind of Louisiana Training Center, Inc. (Entity's) management is responsible for those C/C 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 C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 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.

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 to 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 to 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 is 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 is 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 is 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).
Listing of locations that process payments and management's representation that the listing is complete was obtained.
- 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.
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 is complete was obtained.
- 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 a 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

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

- 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.

Listing of employees and management's representation that the listing is complete was obtained. 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.

Management has asserted that the entity did not have any misappropriations of public funds or assets.

- 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 the Entity 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 C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Entity 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 C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Lafayette, Louisiana
December 6, 2023