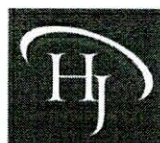


CHILD ADVOCACY SERVICES, INC.

ANNUAL FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2022



Hebert Johnson
& Associates, Inc.
Certified Public Accountants

A Professional Accounting Corporation

Child Advocacy Services, Inc.

Table of Contents

	PAGE
Independent Auditor's Report.....	1-3
Financial Statements:	
Statement of Financial Position	4
Statement of Activities.....	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to the Financial Statements.....	8-15
Supplemental Information:	
Statement of Activities by Program.....	17
Statement of Activities-Louisiana Supreme Court TANF Program	18
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	18
Schedule of Expenditures of Federal Awards.....	20-21
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.....	22-23
Independent Auditor's Report On Compliance for Each Major Program and on Internal Control Over Compliance Required By The Uniform Guidance	24-26
Schedule of Findings And Questioned Costs.....	27-28

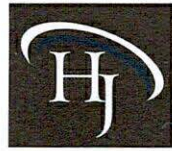
CHARLES P. HEBERT, CPA

CHRISTOPHER S. JOHNSON, CPA, MBA

ADAM C. HEBERT, CPA

MEMBER

American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants



**Hebert Johnson
& Associates, Inc.**
Certified Public Accountants

18435 HIGHWAY 22, STE. 2
P.O. BOX 1151
PONCHATOULA, LA 70454
(985) 386-5740 • FAX (985) 386-5742

18890 FLORIDA BLVD., STE A
P.O. BOX 520
ALBANY, LA 70711
(225) 209-6627 • FAX (225) 209-6625

A P R O F E S S I O N A L A C C O U N T I N G C O R P O R A T I O N

Independent Auditor's Report

To the Board of Directors
Child Advocacy Services, Inc.
Hammond, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Child Advocacy Services, Inc. (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2022, 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 present fairly, in all material respects, the financial position of Child Advocacy Services, Inc. as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Child Advocacy Services, 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and 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 Child Advocacy Services, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Child Advocacy Services, 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 Child Advocacy Services, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information which includes the combined statement of activities and schedule of

compensation, benefits and other payments to agency head or chief executive officer, is not a required part of the basic financial statements. The Accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit 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 supplementary information and the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Matter – Summarized Comparative Information

We have previously audited the Child Advocacy Services, Inc.'s December 31, 2021 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated May 24, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2023, on our consideration of Child Advocacy Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Child Advocacy Services 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 Child Advocacy Services, Inc.'s internal control over financial reporting and compliance.

Chris Johnson

Hebert Johnson & Associates, Inc.
A Professional Accounting Corporation
Albany, Louisiana
March 28, 2023

Child Advocacy Services, Inc.
Statement of Financial Position
December 31, 2022

	<u>12/31/2022</u>	<u>Comparative Information (Restated) 12/31/2021</u>
Assets		
Cash	\$1,344,245	\$1,164,264
Receivables:		
Grants	199,192	210,623
Other	6,000	15,833
Operating Leases Right of Use Assets	<u>1,161,330</u>	<u>1,077,748</u>
Total Assets	<u><u>\$2,710,767</u></u>	<u><u>\$2,468,468</u></u>
 Liabilities and Net Assets		
Accounts Payable	\$ 2,974	\$ 1,534
Operating Lease Liabilities	<u>1,161,330</u>	<u>1,077,748</u>
Total Liabilities	<u>1,164,304</u>	<u>1,079,282</u>
 Net Assets		
Without Donor Restrictions	<u>1,546,463</u>	<u>1,389,186</u>
Total Net Assets	<u>1,546,463</u>	<u>1,389,186</u>
Total Liabilities and Net Assets	<u><u>\$2,710,767</u></u>	<u><u>\$2,468,468</u></u>

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

Child Advocacy Services, Inc.
Statement of Activities
For the Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>12/31/2022</u>	<u>Comparative Information 12/31/2021</u>
Revenues				
United Way	\$ 174,663	\$ -	\$ 174,663	\$ 173,000
Grant Appropriations				
Governmental	2,097,128	-	2,097,128	1,987,874
Other	-	-	-	7,350
Special Events	145,049	-	145,049	115,574
Contributions	151,701	-	151,701	156,124
Other	14,632	-	14,632	11,793
Insurance Reimbursement	-	-	-	10,000
Total Revenues	<u>2,583,173</u>	<u>-</u>	<u>2,583,173</u>	<u>2,461,715</u>
Expenses				
Program Services				
Court Appointed Advocate	1,408,189	-	1,408,189	1,307,562
Children's Advocacy Center	754,141	-	754,141	757,155
Total Program Services	<u>2,162,330</u>	<u>-</u>	<u>2,162,330</u>	<u>2,064,717</u>
Supportive Services				
Management and General	210,480	-	210,480	199,818
Fund Raising	53,086	-	53,086	52,893
Total Supportive Services	<u>263,566</u>	<u>-</u>	<u>263,566</u>	<u>252,711</u>
Total Expense	<u>2,425,896</u>	<u>-</u>	<u>2,425,896</u>	<u>2,317,428</u>
Increase in Net Assets	157,277	-	157,277	144,287
Net Assets Beginning of Year	1,389,186	-	1,389,186	1,244,899
Net Assets End of Year	<u>\$ 1,546,463</u>	<u>\$ -</u>	<u>\$ 1,546,463</u>	<u>\$ 1,389,186</u>

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

Child Advocacy Services, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2022

	Program Services		Supportive Services		Total
	Court Appointed Advocate	Children's Advocacy Center	Management and General	Fund Raising	
Salaries	\$ 839,078	\$ 467,204	\$ 150,558	\$ 35,869	\$1,492,709
Fringe Benefits	132,670	86,566	21,078	5,022	245,336
Taxes	72,779	34,732	12,045	2,870	122,426
Retirement	12,778	9,337	4,517	1,076	27,708
Communication	21,410	7,863	557	-	29,830
Conferences	19,137	9,960	-	-	29,097
Equipment	18,332	14,647	-	-	32,979
Insurance	14,709	6,963	-	-	21,672
Maintenance	26,742	13,570	-	-	40,312
Postage	1,709	645	-	-	2,354
Printing	2,883	651	393	-	3,927
Professional Fees	2,817	4,682	11,129	-	18,628
Public Relations	-	-	-	6,425	6,425
Recognition	4,433	3,268	-	-	7,701
Recruitment	25,799	-	-	-	25,799
Rent	104,997	55,443	6,960	-	167,400
Supplies	20,174	14,474	1,325	1,315	37,288
Technology	22,694	5,999	-	-	28,693
Training	7,301	77	-	-	7,378
Travel	41,425	10,758	1,019	509	53,711
Utilities	16,322	7,302	899	-	24,523
Total Expenses	\$1,408,189	\$ 754,141	\$ 210,480	\$ 53,086	\$2,425,896

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

Child Advocacy Services, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2022

	12/31/2022	Comparative Information 12/31/2021
Cash Flows From Operating Activities		
Increase in Net Assets	\$ 157,277	\$ 144,287
(Increase) Decrease in Grants Receivable	11,431	33,731
(Increase) Decrease in Other Receivable	9,833	(9,583)
Increase (Decrease) in Accounts Payable	1,440	1,469
Net Cash Provided by Operating Activities	179,981	169,904
Cash Flows From Investing Activities		
Redemption of Certificate of Deposit	-	214,338
Increase in Certificate of Deposit	-	(718)
Net Cash Provided (Used) by Investing Activities	-	213,620
Increase in Cash and Cash Equivalents	179,981	383,524
Cash and Cash Equivalents, Beginning of Year	1,164,264	780,740
Cash and Cash Equivalents, End of Year	\$ 1,344,245	\$ 1,164,264

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

Child Advocacy Services, Inc.
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note A – Summary of Accounting Policies

A summary of the Corporation’s significant accounting policies consistently applied in the preparation of the accompanying financial statements follow:

1. Nature of Activities

Child Advocacy Services, Inc. was organized to give voice, healing, and security to children in Louisiana, primarily in the Florida parishes region.

2. Presentation of Financial Statements

The corporation’s statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codifications (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) “Audit and Accounting Guide for Not-For-Profit Organizations” (the “Guide”).

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions may be expended for any purpose in performing the primary objectives of the Organization. The Organization’s board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors are considered donor restricted. Some donor restrictions are temporary in nature, those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Donor-restricted contributions and grants whose restrictions are met in the same reporting period are reported as net assets without donor restrictions. Donations of property and equipment are recorded at their estimated fair value at the date of donation.

Child Advocacy Services, Inc.
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note A – Summary of Accounting Policies – Continued

3. Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Corporation's ongoing activities. Non-Operating activities are limited to the sources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

4. Revenue Recognition

Grant revenue is recognized as it is earned in accordance with approved contracts. Contributions are recognized as income in the period received and is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, also when grant services are performed, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activity as "net assets released from restrictions." When grant expenditures are made in the same period that grant revenues are received, grant revenues are classified as net assets without donor restrictions.

5. Property and Equipment

Property and equipment acquired by Child Advocacy Services, Inc. are considered to be owned by Child Advocacy Services, Inc., however, State and Federal funding sources may maintain an equitable interest in the property purchased with grant funds as well as the right to determine the use of any proceeds from the sales of these assets.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

Child Advocacy Services, Inc. follows the practice of capitalizing, at cost, all expenditures for property and equipment in excess of \$5,000. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally on the straight-line method. Leasehold improvements are capitalized and amortized over the life of the lease.

6. Estimates

The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Child Advocacy Services, Inc.
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note A – Summary of Accounting Policies – Continued

7. Fair Values of Financial Instruments

The carrying amounts of cash and cash equivalents reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

8. Cash Equivalents

For the purpose of the statement of cash flows, the Corporation considers all investments with original maturities of three months or less to be cash equivalents.

9. Grants Receivable

The Corporation considers accounts receivable to be fully collectible since the balance consist of payments due under governmental contracts. If amounts due become uncollectible, they will be charged to operations when that determination is made.

10. Functional Allocation of Expenses

The expenses of providing program and other activities have been summarized on a functional basis in the statement of functional expenses. Some of those expenses have been allocated among the program and supporting services benefitted based on estimates by management of the costs involved.

11. Subsequent Events

Management has evaluated subsequent events through March 28, 2023 which is the date the financial statements were available to be issued.

12. Summarized Comparative Information

Summarized comparative information is presented only to assist with financial analysis. Data in these columns do not present financial position, results of operations or changes in net assets in conformity with generally accepted accounting principles.

13. Contributed Services

No amounts have been reflected in the financial statements for donated services. The Corporation generally pays for services requiring specific expertise. However, many individuals volunteer their time as trained and supervised community volunteers, appointed by a judge. These services do not meet the criteria for recognition as contributed services. Child Advocacy Services, Inc. receives more than 5,000 volunteer hours per year.

14. Change in Accounting Principles

The Corporation adopted FASB Topic 842, *Leases*, using the modified retrospective approach with January 1, 2022 as the date of initial adoption. The Organization elected the package of practical

Child Advocacy Services, Inc.
Notes to the Financial Statements
For the Year Ended December 31, 2022

expedients permitted under the transition guidance within the new standard, which among other things, allowed the Corporation to carry forward the historical lease classification. The change in principle had no effect on the prior period's net assets.

Note B – Liquidity and Availability of Financial Assets

The Corporation's financial assets available within one year of the balance sheet date for general expenditures are as follows:

Cash	\$ 1,344,245
Receivables	<u>205,192</u>
Total Liquidity and Availability	<u><u>\$ 1,549,437</u></u>

Child Advocacy Services, Inc. maintains adequate operating revenue. The current financial assets, totaled \$1,549,437 on December 31, 2022, are available for general expenditures, that is without donor or other restrictions limiting their use.

As part of Child Advocacy Services, Inc.'s liquidity management, it maintains its current assets primarily in cash and cash equivalents.

Note C – Grants Receivable

Grants receivables consist of the following as of December 31, 2022:

Louisiana Commission on Law Enforcement and Administration of Criminal Justice	\$ 54,645
State of Louisiana, Governor's Office of Programs and Planning	3,720
Louisiana Supreme Court	95,237
West Feliciana Parish Government	7,705
Louisiana Alliance of Children's Advocacy Centers	26,699
St. Charles District Attorney	2,528
St. John United Way	6,000
City of Hammond	8,658
Total Grants Receivable	<u><u>\$ 205,192</u></u>

Child Advocacy Services, Inc.
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note D – Operating Leases

Other than short-term leases, the Corporation is a party to three operating leases for office space.

As disclosed in Note A-13, the Corporation early adopted FASB ASC 842 due to the Corporation entering into long-term leases. These leases are required to be included on our statement of financial position under FASB ASC 842. As a result, adopting FASB ASC 842 had no impact to prior year statement of financial position information, and because these leases are operating leases, the adoption of this standard has no impact on the results of operations. The Corporation has elected to apply the short-term lease exception to all leases with a term of one year or less.

As of December 31, 2022, the right-of-use (ROU) asset had a balance of \$1,161,330, as shown on the statement of financial position; and the lease liability is \$1,161,330. The lease asset and liability were calculated utilizing the risk-free discount rate (3%).

The Corporation has the following short-term operating leases for office space:

The Corporation has a 1-year lease for office space in St. Francisville. The lease commences on February 1, 2022 and ends January 31, 2023. Rent is \$625 per month. After January 31, 2023, the lease becomes month to month.

The Corporation has a month-to-month lease for office space in Denham Springs. Rent is \$2,400 per month.

The Corporation has the following long-term operating leases for office space:

The Corporation has a 7-year lease for office space in Gonzales. The lease commences on March 1, 2018 and ends February 28, 2025. Rent is \$2,500 per month.

The Corporation has a 20-year lease for office space in Hammond. The lease commences on July 1, 2020 and ends June 30, 2039. Rent is \$5,800 per month.

The Corporation has a five year lease for office space in Destrehan. The lease commences on July 1, 2022 and ends on June 30, 2027. Rent is \$3,000 per month.

Rent expense for the year ended December 31, 2022 amounted to \$167,400.

Future minimum lease payment are as follows:

Child Advocacy Services, Inc.
Notes to the Financial Statements
For the Year Ended December 31, 2022

<u>Years Ending December 31</u>	
2023	\$ 103,200
2024	103,200
2025	78,200
2026	73,200
2027	71,400
2028-2040	870,000
Total Minimum Lease Payments	<u>1,299,200</u>
Present Value Discount	<u>(137,870)</u>
Lease Liability	<u><u>\$1,161,330</u></u>

Note E – Income Taxes

Child Advocacy Services, Inc. is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

FASB ASC 740, Income Taxes, requires that a tax position be recognized or derecognized based on a “more likely than not” threshold. This applies to positions taken or expected to be taken in a tax return. Management does not believe its financial statements include any uncertain tax positions.

Child Advocacy Services, Inc.
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note F – Summary of Funding

<u>Grants</u>	<u>Periods</u>	<u>Grant Award</u>	<u>Revenue Recognized</u>
State of Louisiana, Governor's Office of Programs and Planning			
Children's Trust Fund	07/01/21-06/30/22	82,500	45,689
	07/01/22-06/30/23	49,000	25,115
State of Louisiana, Supreme Court	07/01/21-06/30/22	1,065,970	556,547
	07/01/22-06/30/23	1,083,544	569,519
Louisiana Commission on Law Enforcement and Administration of Criminal Justice	07/01/21-06/30/22	529,744	275,439
	07/01/21-06/30/22	111,565	51,373
	07/01/22-03/31/23	400,118	270,132
	07/01/22-03/31/23	84,100	56,279
Louisiana Alliance of CACs (OVC passed through Governor's Office)	07/01/21-06/30/22	50,405	25,466
(OVC passed through Governor's Office)	07/01/22-06/30/23	50,000	21,011
	07/01/21-06/30/22	63,580	28,522
	07/01/21-06/30/22	42,387	21,644
	07/01/22-06/30/23	84,980	42,490
	07/01/22-06/30/23	42,490	21,477
West Feliciana Police Jury	07/01/21-06/30/22	26,400	13,200
	07/01/22-06/30/23	26,400	13,200
City of Hammond	07/01/21-06/30/22	25,000	14,583
	07/01/21-06/30/22	25,000	8,658
St. Charles District Attorney	01/01/22-12/31/22	36,784	36,784
 Total Government Grants			 <u><u>\$2,097,128</u></u>

Child Advocacy Services, Inc.
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note G – Retirement Plan

The Child Advocacy Services, Inc. sponsors a deferred compensation plan covering all employees earning over \$5,000 and elect to defer a portion of their salary. The Corporation will match 3% of the deferred compensation. The contribution rate remains unchanged for the prior year. The retirement expense for the year ended December 31, 2022 totaled \$27,705.

Note H – Board of Directors' Compensation

The Board of Directors is a voluntary board; therefore, no compensation was paid to any board member.

Note I – Concentration of Credit Risk

Child Advocacy Services, Inc. has deposits totaling \$1,364,134 in demand deposits and money market accounts. All deposits are insured by the Federal Deposit Insurance Corporation.

Note J – Economic Dependency

The Corporation received approximately 81% of its revenue from funds provided through grants administered by the federal government and the State of Louisiana. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the funds the corporation receives could be reduced significantly and have an adverse impact on its operations. At the time of completion of the examination of the corporation's financial statements, management was not aware of any actions taken that would adversely affect the amount of funds the corporation will receive in the next fiscal year.

SUPPLEMENTAL INFORMATION

Child Advocacy Services, Inc.
Statement of Activities by Program
For the Year Ended December 31, 2022

	Court Appointed Special Advocate	Children's Advocacy Center	Total
Revenue			
Direct Program Revenue:			
Government Grants	\$ 1,279,175	\$ 817,953	\$ 2,097,128
Other Grants	-	-	-
Total Direct Program Revenue	1,279,175	817,953	2,097,128
Unrestricted Revenue	280,244	31,138	311,382
Total Self-Generated Revenue	280,244	31,138	311,382
United Way	94,094	80,569	174,663
Total Revenue	1,653,513	929,660	2,583,173
Expenses			
Salaries	839,078	467,204	1,306,282
Fringe Benefits	132,670	86,566	219,236
Taxes	72,779	34,732	107,511
Retirement	12,778	9,337	22,115
Occupancy	104,997	55,443	160,440
Travel	41,425	10,758	52,183
Supplies	20,174	14,474	34,648
Printing	2,883	651	3,534
Training	7,301	77	7,378
Other Program Expense	174,104	74,899	249,003
Total Direct Expense	1,408,189	754,141	2,162,330
Support Service Expense	179,226	84,340	263,566
Total Expense	1,587,415	838,481	2,425,896
Increase in Net Assets	\$ 66,099	\$ 91,179	\$ 157,277

See Independent Auditor's Report.

Child Advocacy Services, Inc.
Statement of Activities
Louisiana Supreme Court CASA Assistance Program
For the Year Ended December 31, 2022

	For the Period January 1, 2022 Through June 30, 2022	For the Period July 1, 2022 Through December 31, 2022	Total
Revenue			
Grant Appropriations	\$ 556,547	\$ 569,519	\$ 1,126,066
Total Revenue	<u>556,547</u>	<u>569,519</u>	<u>1,126,066</u>
Expenses			
Salaries	309,576	333,288	642,864
Fringe Benefits	88,934	96,826	185,761
Professional Services	9,635	1,463	11,098
Operating Expense	96,634	106,626	203,260
Travel	25,033	19,432	44,465
Training	2,483	4,651	7,134
Supplies	7,702	4,886	12,588
Equipment	16,032	1,715	17,747
Printing/Copying	518	632	1,150
Total Expenses	<u>556,547</u>	<u>569,519</u>	<u>1,126,066</u>
Net Change in Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report.

Child Advocacy Services, Inc.
Schedule of Compensations, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year ended December 31, 2022

Agency Head Name: Robert A. Carlisle

Description:

Salary	\$ 93,517
Benefits: Hospitalization and Life	13,086
Reimbursements	4,059
Travel	4,053
Total	<u><u>\$ 114,715</u></u>

See Independent Auditor's Report.

Child Advocacy Services, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

	<u>Pass Through Contact #</u>	<u>Assistance Listing Number</u>	<u>Total Federal Expenditures</u>
U.S. Department of Health and Human Services			
Pass Through Programs From:			
State of Louisiana - Supreme Court TANF Program		93.558	\$ 874,960
			<u>874,960</u>
U.S. Department of Justice			
Passed Through Programs From:			
Louisiana Commission on Law Enforcement and Administration of Criminal Justice			
Child Advocacy Program 5	2019-VA- 01/03-5813	16.575	275,439
Child Abuse Program 5	2020-VA- 01/03-6468	16.575	270,132
Child Advocacy Program 7	2019-VA- 01/03-5814	16.575	51,373
Child Advocacy Program 7	2020-VA- 01/03-6439	16.575	56,279
			<u>653,223</u>
Office of Victims of Crime			
Passed Through Governor's Office		16.320	46,477
			<u>46,477</u>
Total Federal Awards			<u><u>\$ 1,574,660</u></u>

Child Advocacy Services, Inc.
Schedule of Expenditures of Federal Awards - Continued
For the Year Ended December 31, 2022

Notes to Schedule of Expenditures of Federal Awards

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Child Advocacy Services, Inc. under programs of the federal government for the year ended December 31, 2022.

The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Par 200., 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 Child Advocacy Services, Inc. it is not intended to and does not present the financial position, changes in net assets or cash flow of Child Advocacy Services, Inc.

B. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursements.

C. Indirect Cost Rate

Advocacy Center has not elected to use the 10% de minimis indirect cost rate.

CHARLES P. HEBERT, CPA

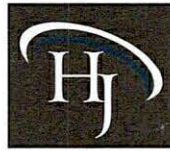
CHRISTOPHER S. JOHNSON, CPA, MBA

ADAM C. HEBERT, CPA

MEMBER

American Institute of Certified Public Accountants

Society of Louisiana Certified Public Accountants



**Hebert Johnson
& Associates, Inc.**
Certified Public Accountants

18435 HIGHWAY 22, STE. 2
P.O. BOX 1151
PONCHATOULA, LA 70454
(985) 386-5740 • FAX (985) 386-5742

18890 FLORIDA BLVD., STE A
P.O. BOX 520
ALBANY, LA 70711
(225) 209-6627 • FAX (225) 209-6625

A PROFESSIONAL ACCOUNTING CORPORATION

**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
Child Advocacy Services, Inc.
Hammond, 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 Child Advocacy Services, Inc. (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2022 and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 28, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Child Advocacy Services, 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 Child Advocacy Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Child Advocacy Services, Inc.'s internal control.

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

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

any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Chris Johnson

Hebert Johnson & Associates, Inc.
A Professional Accounting Corporation
Albany, Louisiana
March 28, 2023

CHARLES P. HEBERT, CPA

CHRISTOPHER S. JOHNSON, CPA, MBA

ADAM C. HEBERT, CPA

MEMBER

American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants



**Hebert Johnson
& Associates, Inc.**
Certified Public Accountants

18435 HIGHWAY 22, STE. 2
P.O. BOX 1151
PONCHATOULA, LA 70454
(985) 386-5740 • FAX (985) 386-5742

18890 FLORIDA BLVD., STE A
P.O. BOX 520
ALBANY, LA 70711
(225) 209-6627 • FAX (225) 209-6625

A PROFESSIONAL ACCOUNTING CORPORATION

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors
Child Advocacy Services, Inc.
Hammond, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Child Advocacy Services, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Child Advocacy Services, Inc.'s major federal programs for the year ended December 31, 2022. Child Advocacy Services, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion Child Advocacy Services, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to in the previous section and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provision of contracts or grant agreements applicable to Child Advocacy Services, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report of Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Chris Johnson

Hebert Johnson & Associates, Inc.
A Professional Accounting Corporation
Albany, Louisiana
March 28, 2023

Child Advocacy Services, Inc.
Schedule of Findings and Questioned Costs
For the year ended December 31, 2022

A. Summary of the Audit Results

Financial Statements

Type of auditor's report issued

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR Section 200.516 (a)? yes no

Identification of major programs:

Assistance Listing Number: 93.558

Name of Federal Program:

U.S. Department of Health and Human Services:
Passed through State of Louisiana Supreme Court
TANF Program

Dollar threshold used to distinguish between type A and B
Programs: \$ 750,000

Auditee qualified as low risk auditee? yes no

Child Advocacy Services, Inc.
Schedule of Findings and Questioned Costs
For the year ended December 31, 2022

B. Financial Statement Audit

There were no findings related to the financial statements for the year ended December 31, 2022.

C. Findings and Questioned Costs - Major Federal Award Programs Audit

There were no items identified in the course of our testing during the current year required to be reported.

D. Status of Prior Year Audit Findings

There were no prior year audit findings.

CHILD ADVOCACY SERVICES, INC.

STATEWIDE AGREED-UPON PROCEDURES REPORT

Fiscal Period January 1, 2022 through December 31, 2022



Hebert Johnson
& Associates, Inc.

Certified Public Accountants

A Professional Accounting Corporation

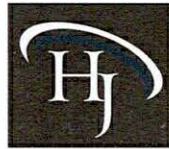
CHARLES P. HEBERT, CPA

CHRISTOPHER S. JOHNSON, CPA, MBA

ADAM C. HEBERT, CPA

MEMBER

American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants



**Hebert Johnson
& Associates, Inc.**
Certified Public Accountants

18435 HIGHWAY 22, STE. 2
P.O. BOX 1151
PONCHATOULA, LA 70454
(985) 386-5740 • FAX (985) 386-5742

18890 FLORIDA BLVD., STE A
P.O. BOX 520
ALBANY, LA 70711
(225) 209-6627 • FAX (225) 209-6625

A P R O F E S S I O N A L A C C O U N T I N G C O R P O R A T I O N

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
Child Advocacy Services, Inc. and
the Louisiana Legislative Auditor:
Hammond, Louisiana

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 January 1, 2022 through December 31, 2022. Child Advocacy Services, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

Child Advocacy Services, Inc.'s 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 January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) *Written Policies and Procedures*

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- h) **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).
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **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.

No exceptions were found as a result of these procedures.

2) Board or Finance Committee

1. 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.
 - 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.*
 - 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.
 - 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.

No exceptions were found as a result of these procedures.

3) Bank Reconciliations

1. 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:
 - 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);
 - 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

- 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 were found as a result of these procedures.

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).
- 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
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - 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;
 - 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
 - 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.
- 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.
- 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.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- 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).
- v. Trace the actual deposit per the bank statement to the general ledger.

No exceptions were found as a result of these procedures.

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

1. 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).
2. 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;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - 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;
 - 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
 - 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.
3. 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
 - 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.
4. 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 were found as a result of these procedures.

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.
- 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
 - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (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
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

- 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 were found as a result of these procedures.

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
- 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);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - 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
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions were found as a result of these procedures.

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

- 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;
- 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);
- 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
- 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 were found as a result of these procedures.

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.
- 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);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- 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.
- 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 were found as a result of these procedures.

10) Ethics

(These procedures are not applicable to the Organization.)

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- a. 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
 - b. 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.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

11) Debt Service

(These procedures are not applicable to the Organization.)

- 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.
- 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).

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.
- 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 were found as a result of these procedures.

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.
 - 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.
 - 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.
- 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

(These procedures are not applicable to the Organization.)

- 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.
- 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).
- 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:
 - 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 Child Advocacy Services, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those 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 Child Advocacy Services, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those 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.

Chris Johnson

Hebert Johnson & Associates, Inc.
A Professional Accounting Corporation
Albany, Louisiana
March 28, 2023