

CHILDREN'S BUREAU OF NEW ORLEANS

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Children's Bureau of New Orleans
New Orleans, Louisiana

Opinion

We have audited the accompanying financial statements of the **Children's Bureau of New Orleans (CBNO)** (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **CBNO** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors of
Children's Bureau of New Orleans
New Orleans, Louisiana

Auditors' 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 auditors' 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, including omissions, 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 **CBNO'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 **CBNO'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.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors of
Children's Bureau of New Orleans
New Orleans, Louisiana

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Compensation, Benefits and Other Payments to the Chief Executive Officer 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 information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2022, on our consideration of **CBNO'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 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 **CBNO's** internal control over financial reporting and compliance.

Bruno & Tervalon, LLP

BRUNO & TERVALON, LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

September 7, 2022

CHILDREN'S BUREAU OF NEW ORLEANS
STATEMENTS OF FINANCIAL POSITION
FOR THE YEARS ENDED JUNE 30, 2022 and 2021

ASSETS

Cash and cash equivalents	\$ 1,112,635	\$ 971,638
Accounts receivable, net (NOTE 4)	160,636	76,649
Promise to give (NOTE 3)	50,000	70,000
Prepaid expenses and deposits	<u>24,714</u>	<u>23,950</u>
Total assets	<u>\$ 1,347,985</u>	<u>\$ 1,142,237</u>

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable and accrued expenses	\$ 10,311	\$ 20,702
Other liabilities	4,576	28,143
Loan payable (NOTE 15)	<u>-</u>	<u>404,875</u>
Total liabilities	<u>14,887</u>	<u>453,720</u>
Net assets:		
Without donor restrictions:	1,282,928	463,360
With donor restrictions (NOTE 13)	<u>50,170</u>	<u>225,157</u>
Total net assets	<u>1,333,098</u>	<u>688,517</u>
Total liabilities and net assets	<u>\$ 1,347,985</u>	<u>\$ 1,142,237</u>

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

CHILDREN'S BUREAU OF NEW ORLEANS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

SUPPORT AND REVENUES:	Without Donor Restrictions	With Donor Restrictions	Total
Contributions and private grants	\$ 27,337	\$ -	\$ 27,337
Fees and grants from governmental agencies	916,299	98,001	1,014,300
Program service fees	394,293	-	394,293
United Way Contributions:			
Allocation	-	50,000	50,000
Designations	1,001	-	1,001
Medicaid revenue	32,243	-	32,243
Other	20,259	-	20,259
SBA Disaster Loan Foregiveness (NOTE 15)	404,875	-	404,875
Employee retention tax credit	555,751	-	555,751
Net assets released from restrictions (NOTE 13)	322,988	(322,988)	-
 Total support and revenue	 2,675,046	 (174,987)	 2,500,059
 EXPENSES:			
Program Services:			
Clinical Services	922,340	-	922,340
Crisis Intervention	369,198	-	369,198
Early Childhood Mental Health Consultation	166,034	-	166,034
	1,457,572	-	1,457,572
Supporting Services:			
Management and General	397,906	-	397,906
 Total expenses	 1,855,478	 -	 1,855,478
Change in net assets	819,568	(174,987)	644,581
Net assets, beginning of year	463,360	225,157	688,517
Net assets, end of year	\$ 1,282,928	\$ 50,170	\$ 1,333,098

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

CHILDREN'S BUREAU OF NEW ORLEANS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

SUPPORT AND REVENUES:	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Contributions and private grants	\$ -	\$ 371,745	\$ 371,745
Fees and grants from governmental agencies	1,044,944	-	1,044,944
Program service fees	422,515	-	422,515
United Way Contributions:			
Allocation	70,000	-	70,000
Designations	4,157	-	4,157
Other	29,066	-	29,066
SBA Disaster Loan			
Forgiveness (NOTE 13)	510,526	-	510,526
Net assets released from restrictions (NOTE 11)	<u>294,320</u>	<u>(294,320)</u>	<u>-</u>
 Total support and revenue	 <u>2,375,528</u>	 <u>77,425</u>	 <u>2,452,953</u>
 EXPENSES:			
Program Services:			
Clinical Services	1,073,886	-	1,073,886
Crisis Intervention	379,840	-	379,840
Early Childhood Mental Health Consultation	<u>202,517</u>	<u>-</u>	<u>202,517</u>
	<u>1,656,243</u>	<u>-</u>	<u>1,656,243</u>
Supporting Services:			
Management and general	<u>293,576</u>	<u>-</u>	<u>293,576</u>
 Total expenses	 <u>1,949,819</u>	 <u>-</u>	 <u>1,949,819</u>
 Change in net assets	 425,709	 77,425	 503,134
Net assets, beginning of year	<u>37,651</u>	<u>147,732</u>	<u>185,383</u>
Net assets, end of year	<u>\$ 463,360</u>	<u>\$ 225,157</u>	<u>\$ 688,517</u>

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

CHILDREN'S BUREAU OF NEW ORLEANS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	Program Services - Child and Family Counseling			Supporting Services		Total Program and Supporting Services Expense	
	Clinical Services	Crisis Intervention	Early Childhood Mental Health Consultation	Total Program Services	Management and General		Total Supporting Services
Employee Compensation:							
Salaries	\$ 731,303	\$ 296,920	\$ 138,293	\$ 1,166,516	\$ 177,421	\$ 177,421	\$ 1,343,937
Employees' retirement, benefits and medical insurance	50,935	31,838	12,536	95,309	8,236	8,236	103,545
Payroll taxes, worker's comp and unemployment	62,333	24,039	11,387	97,759	22,189	22,189	119,948
Total employee compensation	844,571	352,797	162,216	1,359,584	207,846	207,846	1,567,430
Other Expenses:							
Bad debt	6,557	-	-	6,557	-	-	6,557
Bank fees and interest	-	-	-	-	134	134	134
Building and equipment management	-	-	-	-	13,975	13,975	13,975
Computer services and supplies	11,790	54	-	11,844	23,224	23,224	35,068
Insurance	-	-	-	-	26,105	26,105	26,105
Dues and subscriptions	-	-	-	-	472	472	472
Miscellaneous	93	-	82	175	6,172	6,172	6,347
Occupancy	-	4,051	-	4,051	21,630	21,630	25,681
Postage	-	215	21	236	195	195	431
Printing and publication	-	-	-	-	48	48	48
Professional fees	53,079	-	-	53,079	70,586	70,586	123,665
Supplies	4,305	4,836	-	9,141	744	744	9,885
Telephone	-	3,430	-	3,430	23,520	23,520	26,950
Training	-	1,029	250	1,279	1,862	1,862	3,141
Travel	1,945	2,786	3,465	8,196	1,393	1,393	9,589
Total Other Expenses	77,769	16,401	3,818	97,988	190,060	190,060	281,491
Total Expenses	\$ 922,340	\$ 369,198	\$ 166,034	\$ 1,457,572	\$ 397,906	\$ 397,906	\$ 1,855,478

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

CHILDREN'S BUREAU OF NEW ORLEANS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Program Services - Child and Family Counseling</u>				<u>Supporting Services</u>		Total Program and Supporting Services Expense
	Clinical Services	Crisis Intervention	Early Childhood Mental Health Consultation	Total Program Services	Management and General	Total Supporting Services	
Employee Compensation:							
Salaries	\$ 815,471	\$ 283,586	\$ 156,819	\$ 1,255,876	\$ 68,320	\$ 68,320	\$ 1,324,196
Employees' retirement, benefits and medical insurance	50,273	22,143	10,889	83,305	5,002	5,002	88,307
Payroll taxes, worker's comp and unemployment	<u>76,830</u>	<u>26,137</u>	<u>17,470</u>	<u>120,437</u>	<u>11,083</u>	<u>11,083</u>	<u>131,520</u>
Total employee compensation	<u>942,574</u>	<u>331,866</u>	<u>185,178</u>	<u>1,459,618</u>	<u>84,405</u>	<u>84,405</u>	<u>1,544,023</u>
Other Expenses:							
Bank fees and interest	-	-	-	-	3,586	3,586	3,586
Building and equipment management	708	251	155	1,114	7,021	7,021	8,135
Computer services and supplies	27,105	757	466	28,328	14,217	14,217	42,545
Insurance	7,777	2,759	1,699	12,235	12,046	12,046	24,281
Dues and subscriptions	-	-	-	-	1,828	1,828	1,828
Miscellaneous	4,527	1,783	867	7,177	3,912	3,912	11,089
Occupancy	36,026	25,462	6,037	67,525	62,822	62,822	130,347
Postage	-	362	23	385	291	291	676
Professional fees	35,093	3,315	2,042	40,450	86,272	86,272	126,722
Supplies	8,719	5,794	315	14,828	3,187	3,187	18,015
Telephone	5,856	5,911	2,087	13,854	13,434	13,434	27,288
Training	2,525	604	498	3,627	501	501	4,128
Travel	<u>2,976</u>	<u>976</u>	<u>3,150</u>	<u>7,102</u>	<u>54</u>	<u>54</u>	<u>7,156</u>
Total Other Expenses	<u>131,312</u>	<u>47,974</u>	<u>17,339</u>	<u>196,625</u>	<u>209,171</u>	<u>209,171</u>	<u>405,796</u>
Total Expenses	<u>\$ 1,073,886</u>	<u>\$ 379,840</u>	<u>\$ 202,517</u>	<u>\$ 1,656,243</u>	<u>\$ 293,576</u>	<u>\$ 293,576</u>	<u>\$ 1,949,819</u>

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

CHILDREN'S BUREAU OF NEW ORLEANS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 644,581	\$ 503,134
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Forgiveness of SBA disaster loans	(404,875)	(510,526)
Changes in assets and liabilities:		
Increase in accounts receivable	(83,987)	202,334
Decrease in contributions receivable	20,000	-
Increase in prepaid expenses and deposits	(765)	(4,507)
Decrease in other liabilities	(21,567)	(10,421)
Decrease in accounts payable and accrued expenses	<u>(10,391)</u>	<u>(28,810)</u>
Net cash provided by operating activities	<u>142,996</u>	<u>151,204</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment on line-of-credit	-	(89,000)
Payments of advances to related party	(2,000)	(12,000)
Proceeds from loan payable	<u>-</u>	<u>404,875</u>
Net cash (used in) provided by financing activities	<u>(2,000)</u>	<u>303,875</u>
Net increase in cash and cash equivalents	140,996	455,079
Cash and cash equivalents, beginning of year	<u>971,638</u>	<u>516,559</u>
Cash and cash equivalents, end of year	<u>\$ 1,112,634</u>	<u>\$ 971,638</u>
SUPPLEMENTAL SCHEDULE OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	<u>\$ 25</u>	<u>\$ 3,412</u>

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

CHILDREN'S BUREAU OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 and 2021

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Description of Organization

The **Children's Bureau of New Orleans (CBNO)** is a private non-profit agency that offers a variety of counseling services to children and families in the New Orleans Metropolitan Area.

CBNO is exempt from taxation under section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements.

CBNO files as a tax-exempt organization. Should that status be challenged in the future, **CBNO's** 2021, 2020 and 2019 tax periods are open for examination by the IRS.

Description of Programs and Supporting Services

Clinical Services

Individual, family and group therapy are offered for children from 5- 24 years of age and their families. Areas of concern include but are not limited to anger management, school behavior problems, parent-child relational difficulties, and the effects of abuse, domestic violence, or other traumatic events.

Crisis Intervention

CBNO's Crisis Intervention is designed to meet the special needs of children and families impacted by grief and trauma, including the loss of a loved one by natural causes, accident or violent death; exposure to natural disaster; and being a witness or victim of violent abuse. Crisis Intervention offers individual, family and group interventions that are valid and proven to be effective. Our social workers are trained in our own evidence based 10-week Grief and Trauma Intervention (GTI). GTI was designed after many years of working with New Orleans area children and youth, and has been repeatedly shown to be effective in reducing traumatic stress and depressive symptoms in children who have completed the intervention.

CHILDREN'S BUREAU OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED
JUNE 30, 2022 and 2021

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

Crisis Intervention, Continued

Children ages 5 to 18 are eligible. Crisis Intervention services are community based and take place in home, schools and other community locations.

Early Childhood Mental Health Consultation

Early Childhood Mental Health Consultation is an intervention that teams a mental health professional with early childhood professionals to improve the social, emotional and behavioral health of young children in early learning settings. The program known as TIKES serves to increase the quality of child care and early learning initiatives for all children across the state and provide child care staff and parents with the tools to understand and command higher quality child care for children.

Centers participating in TIKES are eligible to receive mental health consultations. **CBNO**, through a grant from Tulane University, employs full-time licensed mental health professionals, trained in infant and early childhood issues (0-5 years old), who work closely with teachers on-site and serve as a resource for child care providers and parents as they foster and enhance the children's early development through education, training, identification and intervention.

Management and General

Management and General includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment, provide coordination and articulation of **CBNO's** program strategy through the Office of the Executive Director; secure proper administrative functioning of the Board of Directors; maintain competent professional services for the program administration of **CBNO**; and manage the financial and budgetary responsibilities of **CBNO**.

CHILDREN'S BUREAU OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED
JUNE 30, 2022 and 2021

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

Basis of Accounting

CBNO's financial statements are prepared on the accrual basis and in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

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

Property and Equipment

Property and equipment of CBNO are recorded as assets (capitalized) and are stated at historical costs if purchased or at fair market value at the date of the gift, if donated. CBNO follows the policy of capitalizing all individual fixed assets purchased or donated greater than \$1,000. Additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized. Depreciation is provided utilizing the straight-line method over the estimated useful life of the asset, generally between 5 to 10 years for property and equipment.

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

Grant Revenue

Revenues from governmental grants are recognized when allowable expenditures are made by CBNO. Funds received for specific purposes but not yet expended are recorded as deferred revenue.

CHILDREN'S BUREAU OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED
JUNE 30, 2022 and 2021

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

Statements of Cash Flows

For the purpose of the statements of cash flows, cash equivalents include all highly liquid instruments purchased with original maturities of three (3) months or less.

Income Taxes

CBNO is exempt from federal income taxes through Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements. **CBNO** files as a tax-exempt organization.

Basis of Reporting

Prior to the 2021 fiscal year, **CBNO** has implemented the guidance under Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, which amends the previous standard for external financial reporting by not-for-profit organizations. Under ASU 2016-14, **CBNO** classifies resources for financial accounting and reporting purposes into two net asset categories: without donor restrictions and with donor restrictions. A description of the two net asset categories is as follows:

- Net assets without donor restrictions include funds not subject to donor-imposed stipulations. Grants and contributions without donor restrictions, other income and expenses incurred in conducting the mission of **CBNO** are included in this category.
- Net assets with donor restrictions include grants and contributions for which donor-imposed time and/or purpose restrictions have not been met.

Revenue and Support

Grants and contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions.

Grants and contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted grants and contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

CHILDREN'S BUREAU OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED
JUNE 30, 2022 and 2021

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

Other Funding

Other revenues received consist of federal and state grants, and other revenue sources.

Pledges

Unconditional promises to give are recognized as revenue in the period in which a written or oral agreement to contribute cash or other assets is received. An allowance for doubtful accounts is established based on the prior collection history of pledged contributions and management's analysis of specific promises made. Conditional promises to give are not recognized until they become unconditional; that is, when the donor-imposed conditions are substantially met.

Compensated Absences

An employee of **CBNO** is not paid unused vacation or sick leave time upon termination. Therefore, there are no compensated absences to report.

NOTE 2 - FUNCTIONAL ALLOCATION EXPENSES:

The cost of providing the various programs and other activities has been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among program and support services in the accompanying Statement of Activities. Salaries, employee benefits, payroll taxes, utilities and insurance are allocated on the basis of estimates of time and effort.

NOTE 3 - PROMISE TO GIVE

Promise to give at June 30, 2022 and 2021 represents current receivables from local United Way agencies.

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2022 and 2021 consist of fees due from program services and are non-interest bearing as follows:

Program service fees receivable	\$ 167,192	\$76,649
Allowance for bad debts	<u>(6,556.00)</u>	<u>-</u>
	<u>\$ 160,636</u>	<u>\$76,649</u>

CHILDREN'S BUREAU OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED
JUNE 30, 2022 and 2021

NOTE 5 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise of the following at June 30, 2022:

Liquidity and Availability of Financial Assets

Cash and cash equivalents	\$ 1,112,635
Accounts receivable	160,636
Promises to give	<u>50,000</u>
Total financial assets	1,323,272
Less: Amounts unavailable for general expenditures within one year	<u>50,170</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,273,102</u>

NOTE 6 - RETIREMENT SYSTEM:

CBNO has a simple IRA plan covering all employees over 21 years old having earned at least \$5,000.00 in one of two previous years. Individuals can only enroll during open enrollment. Contributions to the plan are at the discretion of the Board of Directors. For the years ended June 30, 2022 and 2021, **CBNO** contributions to the plan totaled \$25,968 and \$18,817, respectively.

NOTE 7 - CONCENTRATION OF CREDIT RISK:

CBNO maintains non-interest-bearing accounts at local banks. The Federal Deposit Insurance Corporation (FDIC) provides insurance coverage on deposit accounts for deposit amounts up to \$250,000. The FDIC insurance coverage limit applies per depositor, per insured depository institution for each account ownership category. Total uninsured cash balance at June 30, 2022 and 2021 was \$682,287 and \$545,220, respectively.

CHILDREN'S BUREAU OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED
JUNE 30, 2022 and 2021

NOTE 8 - RISK MANAGEMENT:

CBNO is exposed to various risks of loss related to torts, theft of, damage to and destruction of property for which **CBNO** carries commercial liability insurance coverage.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

NOTE 9 - CONCENTRATION OF REVENUE SOURCE:

Program service fees account for 17% and 17% of **CBNO's** total support for the years ended June 30, 2022 and 2021. State and federal grants are on a cost-reimbursement basis and account for 41% and 43% of **CBNO's** total support for the years ended June 30, 2022 and 2021, respectively. If the amount of revenue received should fall below budgeted award levels, **CBNO's** operating results could be adversely affected.

NOTE 10 - FACILITY LEASE:

CBNO conducted its operations from a facility that was leased through Children's Hospital, Inc. under a non-cancellable operating lease, which expires June 30, 2024. For the years ended June 30, 2022 and 2021, facility lease expense amounted to \$22,255 and \$130,347, respectively.

Minimum future rental payments under this lease for each of the next (2) two fiscal years and in the aggregate are:

<u>Year ending June 30,</u>	<u>Amount</u>
2023	\$22,700
2024	<u>23,145</u>
	<u>\$45,845</u>

CHILDREN'S BUREAU OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED
JUNE 30, 2022 and 2021

NOTE 11 - CONTINGENCY:

CBNO is a recipient of grants from the state and federal funding agencies. The grants are governed by various state and federal guidelines, regulations, and contractual agreements.

The administration of the programs and activities funded by these grants are under the control and administration of **CBNO** and are subject to audit and/or review by grantors. Any grant found to be not properly spent in accordance with the terms, conditions, and regulations of the state and federal agencies may be subject to recapture.

NOTE 12 - BOARD OF DIRECTORS' COMPENSATION:

The Board of Directors of **CBNO** is a voluntary board; therefore, no compensation was paid to any board member during the years ended June 30, 2022 and 2021.

NOTE 13 - NET ASSETS WITH DONOR RESTRICTIONS:

At June 30, 2022 and 2021, net assets with donor restrictions in the amount of \$50,170 and \$225,157, respectively are available for the following purpose or time restriction:

	<u>2022</u>	<u>2021</u>
Clinical Service Program (purpose restricted)	\$ 170	\$155,157
United Way Funding (time restricted)	<u>50,000</u>	<u>70,000</u>
	\$ <u>50,170</u>	\$ <u>225,157</u>

Net assets with donor restrictions in the amount of \$322,988 and \$294,320 were released from restrictions by incurring expenses satisfying the Clinical Service Program restrictions specified by donors at June 30, 2022 and 2021, respectively.

CHILDREN'S BUREAU OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED
JUNE 30, 2022 and 2021

NOTE 14 - RELATED PARTY TRANSACTIONS:

In 2019, **CBNO** was provided cash advance by a former officer. These cash advances were for short-term cash needs. Advances are paid back when funds are available. During the 2021 fiscal year, \$12,000 was repaid and during the 2022 fiscal year the remaining \$2,000 was repaid.

CBNO currently has deposit and checking accounts with a local bank where a member of **CBNO's** Board of Director is employed. These deposit and checking accounts were in existence prior to the Board member's employment at the local bank. To avoid conflict of interest issues between **CBNO** and the local bank, **CBNO's** policy is to not have this Board Member participate in any financial discussions and/or decisions involving the local bank.

NOTE 15 - SBA DISASTER LOAN FORGIVENESS:

During the 2021 and 2020 fiscal years, **CBNO** applied for and was approved for \$510,526 and \$404,875, respectively, loans under the Paycheck Protection Program (PPP) administered by the Small Business Administration as part of the relief efforts to COVID-19. In the 2022 and 2021 fiscal years, **CBNO** was granted a full forgiveness of the loans on January 3, 2022 and April 20, 2021. **CBNO** recognized in the Statement of Activities \$404,875 in 2022 and \$510,526 in 2021 of the loan forgiveness as an unconditional contribution.

NOTE 16 - NEW PRONOUNCEMENTS:

The FASB issued Accounting Standards Update No. 2016-02 affecting ASC 842, *Leases*, which provides guidance for any entity that enters into a lease (as defined in this Update), with some specified scope exemptions. The guidance in this Update supersedes ASC 840 *Leases*. The primary objective of this Update is to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities in the statement of financial position and disclosing key information about leasing arrangements. The amendments in this Update are effective for fiscal years beginning after December 15, 2022 and interim periods within fiscal years beginning after December 15, 2023.

CBNO is currently assessing the impact of this new pronouncement on its financial statements.

CHILDREN'S BUREAU OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED
JUNE 30, 2022 and 2021

NOTE 17: SUBSEQUENT EVENTS:

CBNO is required to evaluate events or transactions that may occur after the statement of financial position date for potential recognition or disclosure in the financial statements. **CBNO** performed such an evaluation through September 7, 2022 the date which the financial statements were available to be issued.

CBNO's operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 (COVID 19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in an adverse impact on **CBNO's** subsequent financial statements. Possible effects may include, but not limited to, disruption of **CBNO's** operations and related revenue, unavailability of products and supplies used in operations and possible decline in assets held by **CBNO**.

CHILDREN'S BUREAU OF NEW ORLEANS
SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO THE CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED JUNE 30, 2022

Chief Executive Officer Name: Charlotte C. Cunliffe

<u>Purpose</u>	<u>Amount</u>
Salary	\$121,975
Benefits –FICA	7,562
Benefits – Medicare	1,768
Benefits - Retirement	3,600
Car allowance	-0-
Vehicle provided by government	-0-
Per diem	-0-
Reimbursements	-0-
Travel	-0-
Registration fees	-0-
Conference travel	-0-
Continuing professional education fees	-0-
License fees	-0-
Unvouchered expenses	-0-
Special meals	-0-

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

To the Board of Directors of
Children's Bureau of New Orleans

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 **Children's Bureau of New Orleans. (CBNO)** (a nonprofit organization), which comprise the statement of financial position as of June 30, 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, and have issued our report thereon dated September 7, 2022.

Internal Control Over Financial Reporting

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

INDEPENDENT AUDITORS' 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
(CONTINUED)

Internal Control over Financial Reporting, Continued

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **CBNO'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*.

INDEPENDENT AUDITORS' 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
(CONTINUED)

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 CBNO's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CBNO's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the use of the Board of Directors, its management, grantor agencies and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon, LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

September 7, 2022

CHILDREN'S BUREAU OF NEW ORLEANS
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022

We have audited the financial statements of the **Children's Bureau of New Orleans** as of and for the year ended June 30, 2022, and have issued our report thereon dated September 7, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2022, resulted in an unmodified opinion.

SECTION I - Summary of Auditors' Results

- A. Significant deficiencies in internal control were disclosed by the audit of the financial statements: **None Reported**; material weaknesses: **No**.
- B. Noncompliance which is material to the financial statements: **No**.
- C. Significant deficiencies in internal control over major programs: **Not Applicable**
Material weaknesses: **Not Applicable**.
- D. The type of report issued on compliance for major programs: **Not Applicable**.
- E. Any audit findings which are required to be reported under section 200.516 of OMB Uniform Guidance: **Not Applicable**.
- F. Major program: **Not Applicable**
- G. Dollar threshold used to distinguish between Type A and Type B programs: **Not Applicable**.
- H. Auditee qualified as a low-risk auditee under section 200.520 of OMB Uniform Guidance: **Not Applicable**.
- I. A management letter was issued: **Not Applicable**.

CHILDREN'S BUREAU OF NEW ORLEANS
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2022

**SECTION II - Findings Related to the Financial Statements Required
In Accordance with Government Auditing Standards**

No matters were reported.

SECTION III - Federal Award Findings and Questioned Cost

Not applicable

**CHILDREN'S BUREAU OF NEW ORLEANS
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022**

Section I - Internal Control and Compliance Material to the Financial Statements

No matters reported.

Section II - Internal Control and Compliance Material to Federal Awards

No matters reported.

Section III - Management Letter

No comments reported.

CHILDREN'S BUREAU OF NEW ORLEANS
INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2022

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES**

To the Board of Directors of **Children's Bureau of New Orleans**
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 year ended June 30, 2022. **Children's Bureau of New Orleans' (CBNO's)** management is responsible for those C/C areas identified in the SAUPs.

CBNO 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 year ended June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)

The procedures and associated findings are as follows:

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.

No exceptions were noted.

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.

No exceptions were noted.

c) ***Disbursements***, including processing, reviewing, and approving.

No exceptions were noted.

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).

No exceptions were noted.

e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

No exceptions were noted.

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.

No exceptions were noted.

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)

- g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

No exceptions were noted.

- h) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

No exceptions were noted.

- 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.

This procedure is not applicable to CBNO, a nonprofit organization.

- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

This procedure is not applicable to CBNO, a nonprofit organization.

- 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.

No exceptions were noted.

- l) ***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 noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)**

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions were noted.

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

No exceptions were noted.

c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

No exceptions were noted.

Bank Reconciliations

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

a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

No exceptions were noted.

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

No exceptions were noted.

- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions were noted.

Collections (excluding electronic funds transfers)

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

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees responsible for cash collections do not share cash drawers/registers.

No exceptions were noted.

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

No exceptions were noted.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

No exceptions were noted.

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

No exceptions were noted.

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

No exceptions were noted.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

No exceptions were noted.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions were noted.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions were noted.

- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

No exceptions were noted.

- e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions were noted.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

No exceptions were noted.

b) At least two employees are involved in processing and approving payments to vendors.

No exceptions were noted.

c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

No exceptions were noted.

d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

No exceptions were noted.

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

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

No exceptions were noted.

b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #8, as applicable.

No exceptions were noted.

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

No exceptions were noted.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

No exceptions were noted.

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

No exceptions were noted.

13. Using the monthly statements or combined statements selected under #11 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions were noted.

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

No exceptions were noted.

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

No exceptions were noted.

c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

No exceptions were noted.

d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions were noted.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

No exceptions were noted.

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

No exceptions were noted.

- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

No exceptions were noted.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions were noted.

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

No exceptions were noted.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #15 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

No exceptions were noted.

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

No exceptions were noted.

INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES
(CONTINUED)

- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

No exceptions were noted.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

No exceptions were noted.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

No exceptions were noted.

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

No exceptions were noted.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #15 under "Payroll and Personnel" above: obtain ethics documentation from management, and:

- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

This procedure is not applicable to CBNO, a nonprofit organization.

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

This procedure is not applicable to CBNO, a nonprofit organization.

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Debt Service

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

This procedure is not applicable to CBNO, a nonprofit organization.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

This procedure is not applicable to CBNO, a nonprofit organization.

Fraud Notice

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

No exceptions were noted.

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

No exceptions were noted.

Information Technology Disaster Recovery/Business Continuity

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

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

No exceptions were noted.

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

No exceptions were noted.

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

No exceptions were noted.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #15 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

No exceptions were noted.

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

No exceptions were noted.

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28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

No exceptions were noted for procedures 28 a) to e).

We were engaged by **CBNO** 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 **CBNO** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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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.

Bruno & Tervalon, LLP

BRUNO & TERVALON, LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

September 7, 2022