

BATON ROUGE CHILDREN'S ADVOCACY CENTER

BATON ROUGE, LOUISIANA

FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED

DECEMBER 31, 2024



ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Baton Rouge Children's Advocacy Center
Baton Rouge, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Baton Rouge Children's Advocacy Center (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Baton Rouge Children's Advocacy Center as of December 31, 2024, 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, the *Louisiana Governmental Audit Guide*, 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 Baton Rouge Children's Advocacy Center, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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



To the Board of Directors
Baton Rouge Children's Advocacy Center
April 14, 2025

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 Baton Rouge Children's Advocacy Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Baton Rouge Children's Advocacy Center's ability to continue as a going concern for a reasonable period of time.

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



To the Board of Directors
Baton Rouge Children's Advocacy Center
April 14, 2025

Report on Supplementary Information

Our audit was 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 agency head (Schedule "1"), as required by Louisiana Revised Statute 24:513 A.(3), is presented for purpose 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 as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated April 14, 2025, on our consideration of Baton Rouge Children's Advocacy Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Baton Rouge Children's Advocacy Center'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 Baton Rouge Children's Advocacy Center's internal control over financial reporting and compliance.

April 14, 2025
Baton Rouge, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

BATON ROUGE CHILDREN'S ADVOCACY CENTER
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

ASSETS:

Current Assets

Cash and cash equivalents	\$ 430,867
Receivables, net of allowance for credit losses	95,735
Prepaid expenses and other	<u>25,992</u>
Total current assets	<u>552,594</u>

Property and Equipment

Building and improvements	1,346,122
Furniture and fixtures	2,094
Equipment and furniture	107,810
Land	<u>140,000</u>

1,596,026

Less: Accumulated depreciation	<u>(419,669)</u>
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Net property and equipment	<u>1,176,357</u>
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Total assets	<u><u>\$ 1,728,951</u></u>
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LIABILITIES AND NET ASSETS:

Current Liabilities

Accounts payable	\$ 27,173
Other current liabilities	9,487
Current portion of long term debt	<u>6,851</u>
Total current liabilities	<u><u>43,511</u></u>

Long-Term Liabilities

Notes payable	<u>156,933</u>
Total liabilities	<u>200,444</u>

Net Assets

Without donor restrictions	1,479,578
With donor restrictions	<u>48,929</u>

Total net assets	<u>1,528,507</u>
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Total liabilities and net assets	<u><u>\$ 1,728,951</u></u>
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See accompanying NOTES TO THE FINACIAL STATEMENTS

BATON ROUGE CHILDREN'S ADVOCACY CENTER
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<u>SUPPORT AND REVENUE:</u>			
Contributions	\$ 288,034	\$ 486,894	\$ 774,928
Earned revenue	68,444	-	68,444
Fundraising events, net of expense	246,743	-	246,743
Government assistance and grants	419,631	-	419,631
Investment income	18,566	-	18,566
Other revenue	2,405	-	2,405
Net assets released from purpose and time restrictions	<u>474,592</u>	<u>(474,592)</u>	<u>-</u>
 Total support and revenue	 <u>1,518,415</u>	 <u>12,302</u>	 <u>1,530,717</u>
 <u>EXPENSES:</u>			
Program	1,314,459	-	1,314,459
Management and general	138,397	-	138,397
Fundraising	<u>168,243</u>	<u>-</u>	<u>168,243</u>
 Total expenses	 <u>1,621,099</u>	 <u>-</u>	 <u>1,621,099</u>
 <u>NON-OPERATING INCOME (EXPENSES):</u>			
Gain/(loss) on disposal of assets	<u>(3,766)</u>	<u>-</u>	<u>(3,766)</u>
 Change in net assets	 (106,450)	 12,302	 (94,148)
Net position - beginning	<u>1,586,028</u>	<u>36,627</u>	<u>1,622,655</u>
Net position - ending	<u><u>\$ 1,479,578</u></u>	<u><u>\$ 48,929</u></u>	<u><u>\$ 1,528,507</u></u>

See accompanying NOTES TO THE FINACIAL STATEMENTS

BATON ROUGE CHILDREN'S ADVOCACY CENTER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services	General and Administrative	Fundraising	Total
Computer expense	\$ 37,300	\$ 4,441	\$ 2,664	\$ 44,405
Contract therapist	27,094	-	-	27,094
In-kind program expense (interns)	153,589	-	-	153,589
Depreciation	63,229	7,527	4,516	75,272
Dues and memberships	6,984	832	499	8,315
Furnishings	20,457	2,435	1,461	24,353
Insurance	30,502	3,631	2,179	36,312
Interest expense	2,361	281	169	2,811
Janitorial	6,165	734	440	7,339
Legal and professional	60,572	7,211	4,327	72,110
Marketing	-	-	87,245	87,245
Miscellaneous	13,308	1,578	964	15,850
Occupancy expense	15,486	1,844	1,106	18,436
Office expense	8,679	1,033	620	10,332
Payroll and benefits	809,972	96,425	57,855	964,252
Postage and delivery	320	38	23	381
Printing	154	18	11	183
Repairs and maintenance	10,965	1,305	783	13,053
Security	2,839	338	203	3,380
Supplies	35,067	4,175	2,505	41,747
Travel and training	9,416	1,121	673	11,210
Volunteer recognition	-	3,430	-	3,430
Total functional expenses	<u>\$ 1,314,459</u>	<u>\$ 138,397</u>	<u>\$ 168,243</u>	<u>\$ 1,621,099</u>

See accompanying NOTES TO THE FINACIAL STATEMENTS

BATON ROUGE CHILDREN'S ADVOCACY CENTER
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (94,148)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	
Depreciation	75,272
Gain/Loss on disposal of assets	3,766
(Increase) decrease in:	
Accounts receivable	66,716
Prepaid expense and other	(18,997)
Increase (decrease) in:	
Accounts payable	3,321
Accrued expense	<u>(28,556)</u>
Net cash provided by operating activities	<u>7,374</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of property and equipment	<u>(82,242)</u>
Net cash provided by (used in) investing activities	<u>(82,242)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Principal payments on long-term borrowings	<u>(1,512)</u>
Net cash provided by (used in) financing activities	<u>(1,512)</u>
Net increase (decrease) in cash and cash equivalents	(76,380)
Cash and cash equivalents, beginning of year	<u>507,247</u>
Cash and cash equivalents, end of year	<u><u>\$ 430,867</u></u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Non-cash financing activities	
Proceeds from long-term borrowings	<u><u>\$ 165,296</u></u>

See accompanying NOTES TO THE FINACIAL STATEMENTS

BATON ROUGE CHILDREN'S ADVOCACY CENTER
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Baton Rouge Children's Advocacy Center (the Organization) is comprised of a multi-disciplinary team of social workers and advocates, forensic interviewers, and treatment specialists. The Organization's primary goal is to provide client-centered services to children exposed to traumatic events, including sexual and physical assault, and witnessing domestic violence or homicide. The Organization provides services, without charge to the clients, for the parishes of East Baton Rouge, Iberville, Point Coupee, and West Baton Rouge.

The Organization's programs are as follows:

Trauma recovery services: Improves child medical and mental health outcomes, reducing the negative impact of trauma and chronic stress. Individual, family, and group therapy services are offered by specially trained therapists.

Forensic services: Improves prosecution outcomes of violent crime offenses against children by providing specially trained forensic interviewing in a home-like setting and in collaboration with other disciplines of medicine, law enforcement, and child protective services.

Community outreach and primary prevention: Builds awareness of child abuse in the community and promotes prevention of child abuse by providing education and training to adults who care for children and to children in schools.

The Organization is supported primarily through donor contributions, grants, the United Way, and the annual Celebrity Waiter fundraiser.

Method of Accounting and Financial Reporting Framework

The financial statement presentation follows the recommendations of the FASB in its Accounting Standards Codification (ASC) 958-210-50-3, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-210-50-3, the Organization is required to report information regarding its financial position and activities according to two classes of net assets.

Net Assets without Donor Restrictions—These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program related services, raising contributions, and performing administrative functions.

BATON ROUGE CHILDREN'S ADVOCACY CENTER
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Method of Accounting and Financial Reporting Framework (Continued)

Net Assets with Donor Restrictions—These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends, or the purpose of the restriction is accomplished, the net assets are restricted.

Revenue Recognition

Grants and Contributions

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions depending on the existence or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends, or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Changes in Net Assets as net assets released from restrictions.

Grants which are cost reimbursable under federal contracts are recorded as net assets without donor restrictions in the Statement of Activities and Changes in Net Assets.

Contracts

The Organization receives Medicaid revenue arising from contracts with the State of Louisiana – Department of Health and Hospitals. Generally, the Organization is reimbursed on a fee-for-service basis based on predetermined reimbursement rate schedules. The Organization determines the transaction price based on established billing rates reduced by contractual adjustments provided to third-party payers, discounts provided to uninsured patients and implicit price concessions. Contractual adjustments and discounts are based on contractual agreements, discount policies and historical experience. Implicit price concessions are based on historical collection experience.

Estimates

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

BATON ROUGE CHILDREN'S ADVOCACY CENTER
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits with banks, and all highly liquid investments with an initial maturity of three months or less.

Allowance for Credit Losses

The allowance for credit losses is based on management's estimate of expected credit losses over the life of the receivables, in accordance with ASC 326. The estimate considers historical loss experience, current economic conditions, and reasonable and supportable forecasts. As of December 31, 2024, the total allowance for credit losses was \$6,972. Management monitors receivables regularly and writes off accounts deemed uncollectible. Accounts over 90 days past due totaled \$26,707 as of year-end. No significant changes were made to the estimation methodology or inputs during the year.

Concentration of Credit

Financial instruments which subject the Organization to concentrations of credit risk consist primarily of receivables. Management believes the risk is limited.

The Organization maintains its cash in bank deposit accounts at high credit quality financial institutions insured by the Federal Deposit Insurance Corporation. The bank deposits at times may exceed federally insured limits. At year end, bank deposit accounts exceeded the insured limit by \$133,988. Management considers this risk acceptable.

Concentration of Business Risk

For the year ended December 31, 2024, 51% of the Organization's annual revenues has come from contributions. Of total revenue, two grantors provided 17% and 13%, respectively, of total support and revenue in 2024. It is considered reasonably possible that benefactors, grantors, or contributors might be lost in the near term.

Fixed Assets and Depreciation

Purchased or constructed fixed assets are recorded at cost. The Organization maintains a threshold level of \$1,000 or more for capitalizing capital assets. Fixed assets are depreciated over their estimated useful lives at the time the asset is placed in service using the straight-line method.

BATON ROUGE CHILDREN'S ADVOCACY CENTER
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For financial statement presentation, the Organization provides for depreciation using the straight-line method of depreciation over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	5-30
Furniture and equipment	3-7

In-kind Contributions

The Organization records in-kind contribution revenue for certain services received at the fair value of those services, provided those services create or enhance non-financial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased, if not provided by donation. Donated equipment and other non-cash donations are recorded as contributions at their fair value at the date of donation. See Note 6 for further details on in-kind contributions received.

Advertising

Baton Rouge Children's Advocacy Center expenses advertising costs as incurred. Total advertising and promotion expense for the year ended December 31, 2024 was \$33,055.

Functional Allocation of Expenses

The Organization's operating costs have been allocated between program, general and administrative, and fundraising expenses based on direct identification when possible, and allocation if a single expenditure benefits more than one program or function. Expenditures that require allocation are allocated based on how personnel cost is allocated.

Income Taxes

The Organization is a non-profit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Local Government Assistance

During the year ended December 31, 2024, the Organization entered into cooperative endeavor agreements with three local governmental entities. The agreements provide for one of the governmental entities to contribute \$50,000 each year for the five-year period ending in 2027, one of the governmental entities to contribute \$50,000 each year for the three-year period ending in 2025, and one to contribute \$24,250 for one-year period in 2024.

BATON ROUGE CHILDREN'S ADVOCACY CENTER
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Additionally, the Organization entered into cooperative endeavor agreements with four other local governmental agencies, which provide for each of the governmental entities to contribute \$3,000 for one-year period in 2024, \$2,500 for two-year period ending in 2024, \$2,500 for two-year period ending in 2025 and \$2,500 for two-year period ending in 2025 to the Organization, respectively.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through April 14, 2025, the date the financial statements were available to be issued.

(2) NET ASSETS WITH DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the purpose and time specified by the donors for the year ended December 31, 2024:

Prevention Education	\$ 42,162
Human trafficking coordinator	70,034
CAC program	302,272
Prevention Education and Hospital Advocacy	24,624
Therapy Program	10,000
Building improvements	7,500
CAC needs	<u>18,000</u>
	<u>\$ 474,592</u>

Net assets with donor restrictions are restricted for the following purposes at December 31, 2024:

Prevention Education	\$ 8,929
Therapy program	25,000
Children Advocacy Center Program	<u>15,000</u>
	<u>\$ 48,929</u>

BATON ROUGE CHILDREN'S ADVOCACY CENTER
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

(3) PROPERTY AND EQUIPMENT

Property and equipment and depreciation activity as of and for the year ended December 31, 2024 are as follows:

	Beginning of Year	Additions	Reductions	End of Year
Property and equipment not being depreciated				
Land	\$ 140,000	\$ -	\$ -	\$ 140,000
Total property and equipment not being depreciated	<u>140,000</u>	<u>-</u>	<u>-</u>	<u>140,000</u>
Property and equipment being depreciated				
Building & improvements	1,126,781	228,756	9,415	1,346,122
Furniture & fixtures	8,373	-	6,279	2,094
Computer & other equipment	<u>139,130</u>	<u>18,782</u>	<u>50,102</u>	<u>107,810</u>
Total property and equipment being depreciated	<u>1,274,284</u>	<u>247,538</u>	<u>65,796</u>	<u>1,456,026</u>
Less accumulated depreciated				
Building & improvements	273,412	55,559	5,649	323,322
Furniture & fixtures	8,139	234	6,279	2,094
Computer & other equipment	<u>124,876</u>	<u>19,479</u>	<u>50,102</u>	<u>94,253</u>
Total accumulated depreciation	<u>406,427</u>	<u>75,272</u>	<u>62,030</u>	<u>419,669</u>
Total property and equipment being depreciated, net	<u>867,857</u>	<u>172,266</u>	<u>3,766</u>	<u>1,036,357</u>
Total property and equipment, net	<u>\$ 1,007,857</u>	<u>\$ 172,266</u>	<u>\$ 3,766</u>	<u>\$ 1,176,357</u>

BATON ROUGE CHILDREN'S ADVOCACY CENTER
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

(4) INCOME TAXES

The Organization is exempt from income tax under IRC section 501(c)(3). The Organization follows FASB ASC 740-10-25, *Accounting for Uncertainty in Income Taxes*. The Organization would recognize accrued interest and penalties associated with uncertain tax provisions, if any, as part of the income tax provision. The Organization continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

The Organization's evaluation on December 31, 2024 revealed no uncertain tax positions that would have a material impact on the financial statements. The Organization's federal information return is subject to possible examination by the taxing authorities until the expiration of the related statute of limitations on the information return. In general, the federal information return has a three-year statute of limitation.

(5) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use within one year of the balance sheet date because of contractual or donor-imposed restrictions or internal designations.

Cash and cash equivalents	\$ 430,867
Accounts receivable, net	<u>95,735</u>
	<u>526,602</u>
Less those unavailable for general expenditures within one year, due to:	
Donor-imposed restrictions:	
Prevention Education	(8,929)
Therapy program	(25,000)
Children Advocacy Center Program	<u>(15,000)</u>
	<u>\$ 477,673</u>

(6) IN-KIND CONTRIBUTIONS

For the year ended December 31, 2024, in-kind contributions recognized within the statement of activities included the following:

		<u>Utilization in Programs/Activities</u>
Public service announcements	\$ 138,770	All programs and supporting services
Volunteer and intern services	<u>14,819</u>	All programs and supporting services
	<u>\$ 153,589</u>	

BATON ROUGE CHILDREN'S ADVOCACY CENTER
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2024

(7) LONG-TERM DEBT

Long-term debt consists of the following:

Note payable of \$165,296 with Neighbors Federal Credit Union bearing interest at 6.5%. 60 monthly principal and interest payments of \$1,441 with final payment due September 2029, secured by the property. \$ 163,784

Less: Current Portion of Long-Term Debt (6,851)

Total Notes Payable \$ 156,933

Contractual maturities on long-term debt are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2025	\$ 6,851
2026	7,307
2027	7,797
2028	8,315
2029	<u>133,514</u>
Total	<u>\$ 163,784</u>

Interest expense on long-term debt incurred for the year ended December 31, 2024 totaled \$2,811.

OTHER SUPPLEMENTARY INFORMATION

BATON ROUGE CHILDREN'S ADVOCACY CENTER
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD
YEAR ENDED DECEMBER 31, 2024

Agency Head Name: Tanya Haase

Purpose

Salary	\$ 100,626
Benefits - insurance	7,963
IRA	2,992
Travel	730
Reimbursement	108
Membership	<u>2,285</u>

Total compensation, benefits, and other payments to agency head	<u><u>\$ 114,704</u></u>
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**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
Baton Rouge Children's Advocacy Center
Baton Rouge, 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 Baton Rouge Children's Advocacy Center (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, 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 April 14, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Baton Rouge Children's Advocacy Center's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Baton Rouge Children's Advocacy Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Baton Rouge Children's Advocacy Center'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2024-001 and 2024-002 that we consider to be a material weaknesses.



To the Board of Directors
Baton Rouge Children's Advocacy Center
April 14, 2025

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Baton Rouge Children's Advocacy Center'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*.

Baton Rouge Children's Advocacy Center's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Baton Rouge Children's Advocacy Center's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Baton Rouge Children's Advocacy Center's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 entity's internal control and compliance. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document. Accordingly, this communication is not suitable for any other purpose.

April 14, 2025
Baton Rouge, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

BATON ROUGE CHILDREN'S ADVOCACY CENTER
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2024

SECTION I- SUMMARY OF AUDITORS' REPORT

1. The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the Baton Rouge Children's Center.
2. Two material weaknesses in internal control relating to the audit of the financial statements were reported in the 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*.
3. No instances of noncompliance material to the financial statements was reported in the 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*.
4. A management letter was not issued for the year ended December 31, 2024.

SECTION II – FINDINGS - FINANCIAL STATEMENT AUDIT

Material Weakness

Finding 2024-001 Inadequate Segregation of Duties

Condition: The entity does not employ enough personnel to achieve an optimum level of segregation of duties.

Criteria: No one person should be assigned duties that would allow that person to commit an error or perpetrate fraud and to conceal the error or fraud. For example, the same person should not be responsible for any two of the following functions:

- 1) Authorization of a transaction.
- 2) Recording of the transaction, and
- 3) Custody of assets involved in the transaction.

Effect: Errors could occur which could affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Cause: The size of the entity and its limited accounting staff preclude an adequate segregation of duties and other features of an adequate system of internal control.

Recommendation: While hiring additional personnel may not be feasible, management should implement compensating controls to mitigate the risks associated with inadequate segregation of duties. These may include management monitoring the assignment of duties to ensure as much segregation of duties as possible, as well as board member or another independent party in the review and approval of journal entries.

View of Responsible Officials: It is not cost effective to totally correct this weakness, but we do segregate duties as much as possible.

BATON ROUGE CHILDREN'S ADVOCACY CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

Finding 2024-002 Reconciliation of Accounts Receivable Schedules to General Ledger

Condition: During our audit, we noted that the Organization has a control in place intended to ensure regular reconciliations between the accounts receivable subsidiary ledger (aging report) and the general ledger. However, the control was not effectively executed. As a result, certain revenue transactions and related receivables were recorded more than once. This led to a material overstatement of both accounts receivable and revenue balances.

Criteria: Effective internal controls over financial reporting require that subsidiary ledgers be regularly and thoroughly reconciled to the general ledger. This reconciliation process ensures the accuracy and completeness of billing and receivable records. The process should include documentation of the review and approval by personnel who are independent of the billing function.

Effect: Due to the control failure, accounts receivable and revenue were materially misstated at year-end. This misstatement could impact the accuracy of financial statements and management's ability to rely on financial data for decision-making.

Cause: The Organization did not properly implement or execute its internal control procedures over the reconciliation of the accounts receivable aging report. Specifically, subsidiary schedules were not properly reviewed or reconciled, which allowed duplicative entries to go undetected.

Recommendation: We recommend that management strengthen the reconciliation process by:

- Ensuring that all entries to the accounts receivable ledger are accurate and properly recorded.
- Implementing a documented monthly reconciliation process that compares the aging report to the general ledger.
- Assigning responsibility for the review to personnel who are independent of the billing and data entry processes.
- Maintaining documentation of the review and approval as evidence of control performance.

Implementing these steps will reduce the risk of undetected errors and improve the accuracy of financial reporting.

View of Responsible Officials: The Baton Rouge Children's Advocacy Center has already begun the process of implementing the recommendations suggested by the auditor.

BATON ROUGE CHILDREN'S ADVOCACY CENTER
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2024

I. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

INTERNAL CONTROL FINDINGS

Finding 2023-001 Inadequate Segregation of Duties

Condition: The entity does not employ enough personnel to achieve an optimum level of segregation of duties.

This finding has not been resolved as of December 31, 2024.

Finding 2023-002 Dual Billing

Condition: During our test of revenue transaction details, we noted a receivable was recorded for service fees that was also requested for reimbursement to another party.

This finding has been resolved as of December 31, 2024.

Finding 2023-003 Accounting for Accrued Payroll Payable

Condition: During our testing of accrued payroll payable, we noted the current year accrued payroll liability and related salary expense was not recorded as of the year end.

This finding has been resolved as of December 31, 2024.

BATON ROUGE CHILDREN'S ADVOCACY CENTER

BATON ROUGE, LOUISIANA

AGREED-UPON PROCEDURES

FOR THE YEAR ENDED

DECEMBER 31, 2024



ERICKSEN KRENTEL^{LLP}

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Baton Rouge Children's Center's Board of Directors 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 December 31, 2024. Baton Rouge Children's Advocacy Center's management is responsible for those C/C areas identified in the SAUPs.

Baton Rouge Children's Advocacy Center 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 December 31, 2024. 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.

Our procedures and associated findings are detailed in Schedule "1".

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

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

April 14, 2025
Baton Rouge, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

BATON ROUGE CHILDREN'S ADVOCACY CENTER
AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2024

1) BOARD OR FINANCE COMMITTEE

- A. Procedures:** 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.
 - 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. 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.
 - 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.
 - d) 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.

Results: No exceptions were found as a result of applying the procedure.

2) BANK RECONCILIATIONS

- A. Procedure:** 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, electronically logged)
 - b) Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

BATON ROUGE CHILDREN'S ADVOCACY CENTER
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

2) BANK RECONCILIATIONS (CONTINUED)

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

Results: No exceptions were found as a result of applying the procedure.

3) COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS)

- A. **Procedure:** 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 five deposit sites (or all deposit sites if less than five).
- B. **Procedures:** 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. five collection locations for five 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 that are responsible for cash collections do not share cash drawers/registers.
 - 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.
 - 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.
 - 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.
- C. **Procedure:** 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 enforced during the fiscal period.

BATON ROUGE CHILDREN'S ADVOCACY CENTER
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024

3) COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS) (CONTINUED)

D. Procedures Randomly select two deposit dates for each of the five bank accounts selected for procedure #3A 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). 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 ten deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) 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 ten miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

Results: Exception noted, one deposit was made later than a day of receipt at the collection location.

BATON ROUGE CHILDREN'S CENTER
CORRECTIVE ACTION PLAN –
STATEWIDE AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2024

April 14, 2025

Louisiana Legislative Auditor

Baton Rouge Children's Center respectfully submits the following corrective action plan for items identified pursuant to the Statewide Agreed-Upon Procedures prescribed by you.

Name and address of independent public accounting firm:

Ericksen Krentel, L.L.P.
8550 United Plaza Boulevard, Suite 600
Baton Rouge, Louisiana 70809

Engagement Period: January 01, 2024 – December 31, 2024

The exceptions from the statewide agreed-upon procedures report are discussed below:

Collections

Exceptions: One deposit was made after one day of collecting.

Management's Response to Exceptions: The BRCAC believes the check was deposited in a timely manner. However, the BRCAC has acquired a stamp to date when a check is received as most checks are mailed.

If there are any questions regarding this plan, please call Tanya Haase, Executive Director or Sid Bowden, Finance Director, at 225-343-1984.

Sincerely,


Signature

Executive Director
Title