

**THREE O'CLOCK PROJECT**

**BATON ROUGE, LOUISIANA**

**DECEMBER 31, 2021**



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**L.A. CHAMPAGNE & CO.**

CERTIFIED PUBLIC ACCOUNTANTS

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**L.A. CHAMPAGNE & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

The Board of Directors of  
Three O'Clock Project

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of Three O'Clock Project (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and 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 Three O'Clock Project as of December 31, 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 audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Three O'Clock Project 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 of our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

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

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

### ***Auditor’s Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of 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 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 Three O’Clock Project’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 Three O’Clock Project’s ability to continue as a going concern for a reasonable period of time.

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The schedule of compensation, benefits, and other payments to Agency heads on page 13 is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards on page 14 through 15, as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also 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 June 28, 2022, on our consideration of Three O’Clock Project’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Three O’Clock Project’s internal control over financial reporting and compliance.

*L. A. Champagne & Co., LLP*

*Baton Rouge, Louisiana  
June 28, 2022*

**THREE O'CLOCK PROJECT**  
**STATEMENT OF FINANCIAL POSITION**

*December 31, 2021*

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 1,720,447
Contributions receivable	80,596
Grants receivable	<u>52,852</u>
Total current assets	<u>1,853,895</u>

**NONCURRENT ASSETS**

Deposit	<u>950</u>
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Total assets	<u><u>\$ 1,854,845</u></u>
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 25,881
Total current liabilities	<u>25,881</u>

**NET ASSETS**

Without donor restrictions	493,860
With donor restrictions	<u>1,335,104</u>
Total net assets	<u>1,828,964</u>

Total liabilities and net assets	<u><u>\$ 1,854,845</u></u>
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*See accompanying notes to financial statements.*

**THREE O'CLOCK PROJECT  
STATEMENT OF ACTIVITIES**

*For the Year Ended December 31, 2021*

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Government grants	\$ -	\$ 1,627,823	\$ 1,627,823
Donations	218,437	-	218,437
Program service	2,585	-	2,585
Transfers in satisfaction of restrictions	1,789,958	(1,789,958)	-
Total support and revenue	<u>2,010,980</u>	<u>(162,135)</u>	<u>1,848,845</u>
<b>EXPENSES</b>			
Program expenses	1,789,958	-	1,789,958
Management and general expenses	135,339	-	135,339
Fundraising	11,582	-	11,582
Total expenses	<u>1,936,879</u>	<u>-</u>	<u>1,936,879</u>
Change in net assets	74,101	(162,135)	(88,034)
Net assets - beginning of year	<u>419,759</u>	<u>1,497,239</u>	<u>1,916,998</u>
Net assets - end of year	<u>\$ 493,860</u>	<u>\$ 1,335,104</u>	<u>\$ 1,828,964</u>

*See accompanying notes to financial statements.*

**THREE O'CLOCK PROJECT**  
**STATEMENT OF CASH FLOWS**  
*For the Year Ended December 31, 2021*

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ (88,034)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Increase in receivables	(113,393)
Increase in accounts payable	<u>12,429</u>
Net cash provided by operating activities	<u>(188,998)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<u>-</u>
<b>NET DECREASE IN CASH</b>	(188,998)
Cash - beginning of year	<u>1,909,445</u>
Cash - end of year	<u><u>\$ 1,720,447</u></u>

*See accompanying notes to financial statements.*

**THREE O'CLOCK PROJECT**  
**STATEMENT OF FUNCTIONAL EXPENSES**

*For the Year Ended December 31, 2021*

	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 195,235	\$ 94,000	\$ 5,000	\$ 294,235
Payroll taxes and benefits	18,262	9,513	507	28,282
Legal and accounting fees	-	14,282	-	14,282
Contract food services	1,523,831	-	-	1,523,831
Travel and conferences	13,781	1,036	-	14,817
Bank and administrative fees	-	314	-	314
Supplies	25,051	-	-	25,051
Rent	-	12,883	-	12,883
Marketing expenses	13,198	124	6,075	19,397
Office expenses	-	3,030	-	3,030
Other expenses	600	157	-	757
Total expenses	<u>\$ 1,789,958</u>	<u>\$ 135,339</u>	<u>\$ 11,582</u>	<u>\$ 1,936,879</u>

*See accompanying notes to financial statements.*

# THREE O’CLOCK PROJECT

## NOTES TO FINANCIAL STATEMENTS

December 31, 2021

### A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Nature of activities*

Three O’Clock Project (the "Organization") is a non-profit corporation headquartered in Baton Rouge, Louisiana that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization was incorporated in 2017 to partner with schools, after school organizations, food vendors, and local communities to provide healthy meals and education at little to no cost. The Organization’s mission is to provide healthy meals and nutrition education for at-risk students after school.

#### *Basis of accounting*

The Organization prepares its financial statements on the accrual basis of accounting. Under this method of accounting, revenue is recognized when earned or billed, and expenses are recognized when goods or services are received and the obligation for payment is incurred.

#### *Basis of presentation*

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC). The Organization reports information regarding its financial position and activities according to the two classes of net assets as follows:

*Net assets without donor restrictions* - Resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

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

When a donor’s restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets with donor restrictions to net assets without donor restrictions.

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

*Revenue recognition*

Program service fees and payments under cost-reimbursable contracts are recognized as revenue when performance obligations under the terms of the contracts with customers are satisfied. To accomplish this, the Organization applies the following five-step process to achieve this core principle:

- Identification of the contract with the member;
- Identification of the performance obligations under the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the identified performance obligations; and
- Recognition of revenue when (or as) an entity satisfies the identified performance obligations.

Contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

*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 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.

*Cash*

For the purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with a maturity of three months or less when acquired to be cash.

*Allowance for uncollectible accounts*

An allowance for uncollectible accounts is established based on prior experience and management's assessment of collectability. Management believes all accounts receivable are collectible at December 31, 2021, and accordingly, no allowance has been established.

*Advertising*

The Organization uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed when incurred.

*Income tax status*

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the financial statements.

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

The Organization accounts for income taxes in accordance with the income tax accounting guidance included in the FASB ASC. Under this guidance, the Organization may recognize the tax effects from an uncertain tax position only if it is more likely than not that the tax position will be sustained upon examination by tax authorities. The Organization has evaluated its position regarding the accounting for uncertain tax positions and does not believe that it has any material uncertain tax positions.

*Functional allocation of expenses*

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs are charged specifically to a program or function and the remaining costs are allocated among programs, management, and fundraising. Salaries and wages, related payroll taxes, and benefit allocations are determined by management on an equitable basis based on time and effort.

**B: CONCENTRATION OF REVENUE**

The Organization receives a significant portion of its funds provided through government grants and contracts. Thus, its funding is vulnerable to changes in the legislative priorities of federal, state, and local governments. Significant among those are the following, reflecting their percent of total revenues provided during the year ended December 31, 2021:

Louisiana Department of Education	52%
Louisiana Governor's Office of Homeland Security and Emergency Preparedness	36%

Grants receivable totaling \$52,852, or 100% of grant receivables, is due from the Louisiana Department of Education as of December 31, 2021.

**C: CONCENTRATION OF CREDIT RISK**

The Organization maintains deposits in a local financial institution with balances at times that may exceed the \$250,000 federal insurance provided by the Federal Deposit Insurance Corporation. At December 31, 2021, the Organization's cash exceeded federally insured limits by \$1,234,534. Management believes the credit risk associated with these deposits is minimal.

**D: LEASE OBLIGATION**

The Organization leases office space under an agreement classified as an operating lease. The lease includes monthly rent of \$988 and expires on May 31, 2022. The lease expense under these agreements was \$12,883 for the year ended December 31, 2021. Future minimum rental payments required under the equipment leases as of December 31, 2021 are \$4,940 for 2022.

**E: NON-CASH INVESTING AND FINANCING ACTIVITIES**

There were no non-cash investing and financing activities in 2021.

**F: REVENUE FROM CONTRACTS WITH CUSTOMERS**

Revenue related to the governmental grants and program services is recognized at a point in time when the Organization meets its performance obligations under the respective grants and program services. As of December 31, 2021, there are no performance obligations to be satisfied. Grant contracts and program service are billed monthly and payment is due upon presentation.

*Disaggregated Revenue*

The Organization disaggregates revenue from contracts with customers into major revenue streams and based on the timing of recognized revenue. The Organization's revenue disaggregated based on timing of the transfer of goods or services is as follows as of December 31, 2021:

Recognized at a point in time:

Governmental grants	\$ 1,627,823
Program service	<u>2,585</u>
	<u><u>1,630,408</u></u>

*Contract Balances*

The timing of revenue recognition, billings, and cash collections results in contract assets, receivables, and contract liabilities. The Organization's receivables related to contracts with customers amounted to \$52,852 as of December 31, 2021.

**G: LIQUIDITY**

The following represents the Organization's financial assets as of December 31, 2021:

Financial assets at year-end:

Cash	\$ 1,720,447
Contributions receivable	80,596
Grants receivable	<u>52,852</u>
	1,853,895

Less amounts unavailable to be used for general expenditures within one year, due to donor restrictions 1,335,104

Total financial assets available to management for general Expenditures within one year \$ 518,791

The Organization maintains a practice of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**H: NET ASSETS**

As of December 31, 2021, the Organization had \$1,335,104 of net assets with donor restrictions subject to expenditures for the child nutrition program. Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose specified by the donors. During the year ended December 31, 2021, \$1,789,958 of net assets were released for the child nutrition program.

**I: SUBSEQUENT EVENTS**

Subsequent events were evaluated through June 28, 2022, which is the date the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

**THREE O'CLOCK PROJECT**  
**SCHEDULE OF COMPENSATION, BENEFITS, AND**  
**OTHER PAYMENTS TO AGENCY HEAD**

*For the Year Ended December 31, 2021*

Agency Head Name: Emily Chatelain, Executive Director

Purpose:	<u>Amount</u>
Salary	\$ 100,000
Reimbursements for goods and services purchased directly for program use	15,822

**THREE O'CLOCK PROJECT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

*For the Year Ended December 31, 2021*

<u>FEDERAL GRANTOR GRANTORS/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>GRANTOR CONTRACTOR NUMBER</u>	<u>TOTAL FEDERAL EXPENDITURES</u>
<u>U.S. Department of Agriculture</u>			
Passed through the Louisiana Department of Education:			
Child Nutrition Program - Child and Adult Care Food Program	10.558		\$ 359,942
COVID-19 Child Nutrition Program - Child and Adult Care Food Program	10.558		49,659
			<hr/> 409,601
Child Nutrition Program - Summer Food Service Program	10.559		558,222
<u>U.S. Department of Homeland Security</u>			
Passed through the Louisiana Governor's Office of Homeland Security and Emergency Preparedness			
Diaster Grants - Public Assistance	97.036		660,000
			<hr/> <hr/> \$ 1,627,823

**THREE O’CLOCK PROJECT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF**  
**FEDERAL AWARDS**

*December 31, 2021*

**A: BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Organization under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**C: INDIRECT COST RATE**

The Organization did not elect to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.



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

The Board of Directors  
Three O'Clock Project

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 Three O'Clock Project (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, 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 June 28, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Three O'Clock Project'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 Three O'Clock Project's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or 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. 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 Three O’Clock Project's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

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

*L. A. Champagne & Co., LLP*

*Baton Rouge, Louisiana*

*June 28, 2022*



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

The Board of Directors  
Three O'Clock Project

**Report on Compliance for Each Major Federal Program**

We have audited Three O'Clock Project's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Three O'Clock Project's major federal programs for the year ended December 31, 2021. Three O'Clock Project's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Three O'Clock Project's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above, that could have a direct and material effect on a major federal program, occurred. An audit includes examining, on a test basis, evidence about Three O'Clock Project's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Three O'Clock Project's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, Three O’Clock Project complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

### **Report on Internal Control over Compliance**

Management of Three O’Clock Project is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Three O’Clock Project's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Three O’Clock Project’s internal control over compliance.

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

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

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

*L.A. Champagne & Co., LLP*

*Baton Rouge, Louisiana*

*June 28, 2022*

**THREE O’CLOCK PROJECT  
SUMMARY OF AUDIT RESULTS AND  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*Year Ended December 31, 2021*

**A: SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unmodified opinion on the financial statements of Three O’Clock Project.
2. No significant deficiencies in internal controls relating to the audit of the financial statements are reported in the “Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Governmental Auditing Standards*.”
3. No instance of noncompliance material to the financial statements of Three O’Clock Project was disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal controls over compliance with requirements applicable to major federal award programs are reported in the "Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance."
5. The auditor’s report on compliance for the major federal award programs for the Organization expresses an unmodified opinion.
6. There were no reportable audit findings relative to the major federal award programs for the Organization.
7. A management letter was not issued.
8. The program tested as a major program was the Disaster Grant – Public Assistance.
9. The threshold for distinguishing Types A and B programs was \$750,000.
10. The Organization was determined not to be a low-risk auditee.

**B: FINDINGS - FINANCIAL STATEMENTS AUDIT**

There are no findings that are required to be reported in this section of the report.

**C: FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM  
AUDIT**

There are no findings that are required to be reported in this section of the report.

**THREE O’CLOCK PROJECT**  
**SCHEDULE OF CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS**  
*Year Ended December 31, 2021*

**FINDINGS - FINANCIAL STATEMENTS AUDIT**

There were no findings in the previous year.



## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of Three O'Clock Project and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. Three O'Clock Project's management is responsible for those C/C areas identified in the SAUPs.

Three O'Clock Project has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

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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.  
*Results: No exceptions were found as a result of this procedure.*
  - 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.  
*Results: No exceptions were found as a result of this procedure.*
  - c) ***Disbursements***, including processing, reviewing, and approving.  
*Results: No exceptions were found as a result of this procedure.*

- 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).

*Results: No exceptions were found as a result of this procedure.*

- 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.

*Results: No exceptions were found as a result of this procedure.*

- 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.

*Results: No exceptions were found as a result of this procedure.*

- 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).

*Results: No exceptions were found as a result of this procedure.*

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

*Results: No exceptions were found as a result of this procedure.*

- 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.

*Results: Not applicable as Three O'Clock Project is 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.

*Results: Not applicable as Three O'Clock Project is 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.

*Results: We performed the procedure and discussed the results with management.*

- l) ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

*Results: Not applicable as Three O'Clock Project is a nonprofit organization.*

### ***Board or Finance Committee***

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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.

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

- 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.*

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

- 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.

*Results: Not applicable as Three O'Clock Project is a nonprofit organization.*

### ***Bank Reconciliations***

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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);

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

- 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

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

- 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.

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

### **Collections (excluding electronic funds transfers)**

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- 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).

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

- 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.

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

- 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.

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

- 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.

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

- 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.

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

- 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.

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

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.

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

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

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

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

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

- 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).

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

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

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

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

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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).

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

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.

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

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

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

- 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.

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

- 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.

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

- 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.

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

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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- 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.

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

- 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.

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

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

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

13. Using the monthly statements or combined statements selected under #12 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.

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

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

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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](http://www.gsa.gov)).

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

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

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

- 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).

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

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

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

## ***Contracts***

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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.

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

- 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).

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

- 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).

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

- 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.

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

## ***Payroll and Personnel***

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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.

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

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 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.)

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

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

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

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

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

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

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

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.

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

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.

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

### ***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 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.

*Results: Not applicable as Three O'Clock Project is 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.

*Results: Not applicable as Three O'Clock Project is a nonprofit organization.*

### ***Debt Service***

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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.

*Results: Not applicable as Three O’Clock Project is 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).

*Results: Not applicable as Three O’Clock Project is a nonprofit organization.*

### ***Fraud Notice***

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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.

*Results: Management has asserted that the entity did not have any misappropriations of public funds or assets during the reporting period.*

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.

*Results: Required notices are posted on the entity’s premises; however, the notice was not posted on Three O’Clock Project’s official website.*

### ***Information Technology Disaster Recovery/Business Continuity***

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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.

*Results: We performed the procedure and discussed the results with management.*

- 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.

*Results: We performed the procedure and discussed the results with management.*

- 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.

*Results: We performed the procedure and discussed the results with management.*

### ***Sexual Harassment***

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26. Using the 5 randomly selected employees/officials from procedure #16 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.

*Results: Not applicable as Three O’Clock Project is a nonprofit organization.*

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).

*Results: Not applicable as Three O’Clock Project is a nonprofit organization.*

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.

*Results: Not applicable as Three O’Clock Project is a nonprofit organization.*

### ***Management’s Reponse***

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Management of Three O’Clock Project concurs with the exception noted at #24 and is working to address the deficiency identified.

We were engaged by Three O’Clock Project 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 Three O’Clock Project 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.

*J. A. Champagne & Co., LLP*

*Baton Rouge, Louisiana*

*June 30, 2022*