

BATON ROUGE CHILDREN'S ADVOCACY CENTER

BATON ROUGE, LOUISIANA

FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED

DECEMBER 31, 2023



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, 2023, and the related statement of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Baton Rouge Children's Advocacy Center, as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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 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 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
June 18, 2024

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
June 18, 2024

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 on Schedule 1 is presented to comply with the requirements issued by the State of Louisiana 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 Schedule 1 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 June 18, 2024, 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.

June 18, 2024
Baton Rouge, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

BATON ROUGE CHILDREN'S ADVOCACY CENTER
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

ASSETS:

Current Assets

Cash and cash equivalents	\$ 507,247
Receivables, net of allowance for credit losses	162,451
Prepaid expenses and other	<u>6,995</u>
Total current assets	<u>676,693</u>

Property and Equipment

Building and improvements	1,126,781
Equipment and furniture	147,503
Land	<u>140,000</u>

	1,414,284
Less. Accumulated depreciation	<u>(406,427)</u>

Net property and equipment	<u>1,007,857</u>
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Total assets	<u>\$ 1,684,550</u>
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LIABILITIES AND NET ASSETS:

Current Liabilities

Accounts payable	\$ 23,852
Other current liabilities	<u>38,043</u>

Total liabilities	<u>61,895</u>
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Net Assets

Without donor restrictions	1,586,028
With donor restrictions	<u>36,627</u>

Total net assets	<u>1,622,655</u>
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Total liabilities and net assets	<u>\$ 1,684,550</u>
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The accompanying notes are an integral part of this statement

BATON ROUGE CHILDREN'S ADVOCACY CENTER
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>SUPPORT AND REVENUE:</u>			
Contributions	\$ 372,558	\$ 358,530	\$ 731,088
Earned revenue	84,188	-	84,188
Fundraising events, net of expense	205,425	-	205,425
Government assistance and grants	409,569	-	409,569
Investment income	16,922	-	16,922
Other revenue	1,829	-	1,829
Net assets released from purpose and time restrictions	<u>406,856</u>	<u>(406,856)</u>	<u>-</u>
Total support and revenue	<u>1,497,347</u>	<u>(48,326)</u>	<u>1,449,021</u>
<u>EXPENSES:</u>			
Program	1,307,860	-	1,307,860
Management and general	82,944	-	82,944
Fundraising	<u>94,152</u>	<u>-</u>	<u>94,152</u>
Total expenses	<u>1,484,956</u>	<u>-</u>	<u>1,484,956</u>
Change in net assets	12,391	(48,326)	(35,935)
Net position - beginning	<u>1,573,637</u>	<u>84,953</u>	<u>1,658,590</u>
Net position - ending	<u>\$ 1,586,028</u>	<u>\$ 36,627</u>	<u>\$ 1,622,655</u>

The accompanying notes are an integral part of this statement

BATON ROUGE CHILDREN'S ADVOCACY CENTER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Computer expense	\$ 51,473	\$ 4,162	\$ 2,990	\$ 58,625
Contract therapist	93,669	-	-	93,669
In-kind program expense (interns)	210,020	-	-	210,020
Depreciation	45,590	3,687	2,648	51,925
Dues and memberships	6,123	495	356	6,974
Furnishings	4,077	330	237	4,644
Insurance	27,920	2,258	1,622	31,800
Janitorial	6,364	515	370	7,249
Legal and professional	54,007	4,367	3,137	61,511
Marketing	-	-	35,828	35,828
Miscellaneous	12,115	978	698	13,791
Occupancy expense	16,132	1,305	937	18,374
Office expense	8,746	707	508	9,961
Payroll and benefits	700,975	56,685	40,717	798,377
Postage and delivery	368	30	21	419
Printing	2,075	168	121	2,364
Repairs and maintenance	27,430	2,218	1,593	31,241
Security	1,226	99	71	1,396
Supplies	22,908	1,852	1,331	26,091
Travel and training	16,642	1,346	967	18,955
Volunteer recognition	-	1,742	-	1,742
Total functional expenses	<u>\$ 1,307,860</u>	<u>\$ 82,944</u>	<u>\$ 94,152</u>	<u>\$ 1,484,956</u>

The accompanying notes are an integral part of this statement

BATON ROUGE CHILDREN'S ADVOCACY CENTER
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (35,935)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	
Depreciation	51,925
(Increase) decrease in:	
Accounts receivable	(60,070)
Prepaid expense and other	1,680
Increase (decrease) in:	
Accounts payable	(66,831)
Accrued expense	<u>5,199</u>
Net cash provided by (used in) operating activities	<u>(104,032)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Purchase of property and equipment	<u>(102,385)</u>
Net cash provided by (used in) investing activities	<u>(102,385)</u>
Net increase (decrease) in cash and cash equivalents	(206,417)
Cash and cash equivalents, beginning of year	<u>713,664</u>
Cash and cash equivalents, end of year	<u>\$ 507,247</u>

The accompanying notes are an integral part of this statement

BATON ROUGE CHILDREN'S ADVOCACY CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

(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 FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(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 FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(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

As of December 31, 2023, the total allowance for credit losses was \$6,972. Accounts are considered past due based on their contractual terms. Receivables are closely monitored by management during the year and all accounts considered to be uncollectible are written off. Accounts over 90 days past due as of December 31, 2023 totaled \$23,589.

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 \$218,199. Management considers this risk acceptable.

Concentration of Business Risk

For the year ended December 31, 2023, 50% of the Organization's annual revenues has come from contributions. Of total revenue, one contributor provided 18% of total support and revenue in 2023. 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.

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

BATON ROUGE CHILDREN'S ADVOCACY CENTER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2023 was \$30,095.

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, 2023, 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 ending in 2023.

Additionally, the Organization entered into cooperative endeavor agreements with three other local governmental agencies, which provide for each of the governmental entities to contribute \$3,000, \$2,500, and \$2,500 to the Organization, respectively.

BATON ROUGE CHILDREN'S ADVOCACY CENTER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements – Adopted

The Organization has adopted the Current Expected Credit Losses (CECL) accounting standard, as per Accounting Standards Update (ASU) No. 2016-13, "Financial Instruments – Credit Losses (Topic 326)." The standard introduces a new model for estimating credit losses on financial instruments. After a thorough evaluation, management has determined that the impact of adopting the CECL standard on the financial statements is immaterial. The Organization has considered factors such as historical loss experience, current economic conditions, and other relevant factors in its credit loss estimation process.

As a result, the adoption of the CECL standard has not had a material impact on the Organization's financial position, results of operations, or cash flows. The Organization will continue to monitor developments related to the CECL standard and will provide updates as necessary in future financial statement disclosures.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 18, 2024, 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, 2023:

Prevention Education	\$ 39,345
Human trafficking coordinator	68,627
CAC program	210,765
Prevention Education and Hospital Advocacy	21,058
Administrative Management	47,060
CAC needs	5,000
Building improvements	<u>15,000</u>
	<u>\$ 406,856</u>

BATON ROUGE CHILDREN'S ADVOCACY CENTER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(2) NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets with donor restrictions are restricted for the following purposes at December 31, 2023:

Prevention Education	\$	8,501
Children Advocacy Center Program		28,126
	\$	36,627

(3) CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2023 are as follows:

	Beginning of Year	Additions	Reductions	Transfers	End of Year
Capital assets not being depreciated					
Land	\$ 140,000	\$ -	\$ -	\$ -	\$ 140,000
Construction in progress	203,989	-	-	(203,989)	-
Total capital assets not being depreciated	343,989	-	-	(203,989)	140,000
Capital assets being depreciated					
Building & improvements	820,407	102,385	-	203,989	1,126,781
Furniture & fixtures	8,373	-	-	-	8,373
Computer & other equipment	139,130	-	-	-	139,130
Total capital assets being depreciated	967,910	102,385	-	203,989	1,274,284
Less accumulated depreciated					
Building & improvements	240,043	33,369	-	-	273,412
Furniture & fixtures	7,883	255	-	-	8,138
Computer & other equipment	106,576	18,301	-	-	124,877
Total accumulated depreciation	354,502	51,925	-	-	406,427
Total capital assets being depreciated, net	613,408	50,460	-	-	867,857
Total governmental activities capital assets, net	\$ 957,397	\$ 50,460	\$ -	\$ -	\$ 1,007,857

BATON ROUGE CHILDREN'S ADVOCACY CENTER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(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, 2023 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	\$	507,247
Accounts receivable, net		<u>162,451</u>
		669,698
Less those unavailable for general expenditures within one year, due to:		
Donor-imposed restrictions:		
Prevention Education		(8,501)
Children Advocacy Center Program		<u>(28,126)</u>
	\$	<u><u>633,071</u></u>

(6) IN-KIND CONTRIBUTIONS

For the year ended December 31, 2023, in-kind contributions recognized within the statement of activities included the following:

			<u>Utilization in Programs/Activities</u>
Public service announcements	\$	183,445	All programs and supporting services
Volunteer and intern services		<u>26,575</u>	All programs and supporting services
	\$	<u><u>210,020</u></u>	

OTHER SUPPLEMENTARY INFORMATION

BATON ROUGE CHILDREN'S ADVOCACY CENTER
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD
YEAR ENDED DECEMBER 31, 2023

Agency Head Name: Tanya Haase

Purpose

Salary	\$ 92,000
Benefits - insurance	7,632
IRA	2,760
Travel	1,423
Reimbursement	339
Membership	<u>2,439</u>
 Total compensation, benefits, and other payments to agency head	 <u>\$ 106,593</u>

(See Independent Auditors' Report)

**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, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 18, 2024.

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 2023-001, 2023-002, and 2023-003 that we consider to be a material weakness.



To the Board of Directors
Baton Rouge Children's Advocacy Center
June 18, 2024

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 entity'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.

June 18, 2024
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, 2023

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. Three 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, 2023.

SECTION II – FINDINGS - FINANCIAL STATEMENT AUDIT

Material Weakness

Finding 2023-001 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: The resolution of this finding is not under the control of the Baton Rouge Children's Advocacy as it may not be cost effective, however the management should monitor the assignment of duties to insure as much segregation of duties as possible.

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, 2023

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.

Criteria: Effective internal control procedures require regular and thorough review of subsidiary ledgers to ensure the accuracy and completeness of billing records.

Effect: Accounts receivable and revenues could be incorrectly stated at year-end.

Cause: The dual billing issue is due to inadequate procedures and controls over the monitoring of the accounts receivable aging report and the review of subsidiary schedules to tie Medicaid receivables to the aging report.

Recommendation: Management should implement a formal process for the regular review of the subsidiary ledger to ensure all entries are accurate and properly accounted for, and to assign specific personnel independent of the billing and reconciliation process to document the review of the subsidiary ledgers.

View of Responsible Officials: This issue occurred as the BRCAC hired a consultant to improve our contracts and billing practices with the insurance companies. The Medicaid insurance company changes and sometimes people don't realize it. The BRCAC would submit the invoice to the Medicaid insurance company the client gave us. The Medicaid insurance company changed and so the claim would be denied.

The DA's office has always paid us for denied claims or for those that do not have Medicaid. Now the BRCAC has a process to follow to get the correct Medicaid insurance company to file the claim, even for clients that forget their Medicaid card. The consultant helped the BRCAC refile denied claims and process new claims electronically. The changes in process resulted in claims being reimbursed dating back to January of 2023. The Finance Director realized that some of the claims that were being paid were claims that had been sent to the DA's office, the Finance Director contacted the DA's office to let them know that there would be a credit coming on the ones the DA paid that were now paid by the Medicaid insurance companies. The next step in the process to prevent this problem in the future. Adding the DA office to the Therapy notes program the BRCAC uses for billing Medicaid insurance companies. The BRCAC cannot put in a claim for the DA and a Medicaid insurance company at the same time anymore. If the client does not have Medicaid, then we will put the claim into the DA's office. If the BRCAC claim is denied by the Medicaid insurance company and there is no reason to resubmit the claim, the claim will be moved to the DA office in the Therapy Notes program.

BATON ROUGE CHILDREN'S ADVOCACY CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

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.

Criteria: Generally accepted accounting principles require that expenses be recognized in the period in which they are incurred, and the corresponding payables be established.

Effect: Accrued wages payable and related expenses could be incorrectly stated at year-end.

Cause: The failure to record accrued payroll was due to inadequate procedures and controls over the financial closing process. Specifically, there was no established process to identify and record payroll accruals at year-end.

Recommendation: Management should develop a checklist of month-end and year-end closing procedures and establish a process to monitor current balances to prior period balances to evaluate reasonableness and investigate any instances outside of management's expectations.

View of Responsible Officials: The BRCAC has added the verification of accrued procedures at the year-end specifically the 2 days coming for payroll at the end of this fiscal year and going forward. A review of invoices and grants will be checked as well.

The Finance committee will also be reviewing the Medicaid aging report as this is becoming a significant income stream for the BRCAC. The BRCAC has added a checklist of unresolved items to the Finance committee agenda until completed.

BATON ROUGE CHILDREN'S ADVOCACY CENTER
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023

I. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

INTERNAL CONTROL FINDINGS

Finding 2022-001 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, 2023.

BATON ROUGE CHILDREN'S ADVOCACY CENTER

BATON ROUGE, LOUISIANA

AGREED-UPON PROCEDURES

FOR THE YEAR ENDED

DECEMBER 31, 2023



ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board 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, 2023. 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, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

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.

May 31, 2024
Baton Rouge, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

BATON ROUGE CHILDREN'S ADVOCACY CENTER
AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2023

1) WRITTEN POLICIES AND PROCEDURES

- A. Procedures:** Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g) ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - 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.

BATON ROUGE CHILDREN'S ADVOCACY CENTER
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

1) **WRITTEN POLICIES AND PROCEDURES (CONTINUED)**

- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

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

2) **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.

BATON ROUGE CHILDREN'S ADVOCACY CENTER
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

2) BOARD OR FINANCE COMMITTEE (CONTINUED)

- 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: Exception noted, there were no written updates of the progress of resolving audit findings.

3) 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
- 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: Exception noted. Management does not have documentation that it has researched reconciling items that have been outstanding for more than 12 months for one of the bank reconciliations.

4) 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).

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

BATON ROUGE CHILDREN'S ADVOCACY CENTER
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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.

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

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.

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

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.

**BATON ROUGE CHILDREN'S ADVOCACY CENTER
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

- 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 week of receipt at the collection location.

5) NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)

- A. **Procedure:** 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 five).

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

- B. **Procedures:** For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, 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.
- b) At least two employees are involved in processing and approving payments to vendors.
- 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.
- 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.
- e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

BATON ROUGE CHILDREN'S ADVOCACY CENTER
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

5. NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES) (CONTINUED)

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

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

- a) Observe that the disbursement matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.

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

D. **Procedures:** Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was

- a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy,
- b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

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

6) CREDIT CARDS/DEBIT CARDS/FUEL CARDS/PURCHASE CARDS (CARDS)

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

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

BATON ROUGE CHILDREN'S ADVOCACY CENTER
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

6) CREDIT CARDS/DEBIT CARDS/FUEL CARDS/PURCHASE CARDS (CARDS)
(CONTINUED)

B. Procedures: Using the listing prepared by management, randomly select five cards (or all cards if less than five) 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 that 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) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of the Lawrason Act municipality, should not be reported); and
- 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.

C. Procedures: 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 that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and 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.

7) TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS)

A. Procedures: 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 five reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:

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

BATON ROUGE CHILDREN'S ADVOCACY CENTER
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

7) TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS) (CONTINUED)

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that 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.

8) CONTRACTS

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

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).
- d) Randomly select one payment from the fiscal period for each of the five contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

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

BATON ROUGE CHILDREN'S ADVOCACY CENTER
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

9) PAYROLL AND PERSONNEL

- A. **Procedure:** Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. **Procedures:** Randomly select one pay period during the fiscal period. For the five employees or officials selected under #9A above, obtain attendance records and leave documentation for the pay period, and.
- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observe that supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe that 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.

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

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

- D. **Procedure:** 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.

BATON ROUGE CHILDREN'S ADVOCACY CENTER
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

10) **ETHICS**

A. **Procedures:** Using the five randomly selected employees/officials from procedure #9A under "Payroll and Personnel" above: obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period, as applicable.
- b) Observe that 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: The Louisiana Code of Ethics is not applicable to this entity. Therefore, this procedure is not applicable.

B. **Procedures:** Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: The Louisiana Code of Ethics is not applicable to this entity. Therefore, this procedure is not applicable.

11) **DEBT SERVICE**

A. **Procedure:** Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Results: No debt instruments were issued during the fiscal period; therefore, this procedure is not applicable.

B. **Procedure:** 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: No bonds/notes were outstanding at the end of the fiscal period, therefore, this procedure is not applicable.

BATON ROUGE CHILDREN'S ADVOCACY CENTER
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

12) FRAUD NOTICE

- A. **Procedure:** 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 Organization attorney of the parish in which the entity is domiciled.

Results: There were no misappropriations of public funds and assets during the fiscal period; therefore, this procedure is not applicable.

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

Results: Revised statutes are not applicable to this entity. Therefore, this procedure is not applicable.

13) INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY

- A. **Procedures:** 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 (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - 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.
 - 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 procedures and discussed the results with management.

- B. **Procedures:** Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

BATON ROUGE CHILDREN'S ADVOCACY CENTER
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

13) INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY (CONTINUED)

Results: We performed the procedures and discussed the results with management.

C. **Procedures:** Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 – completed the training within 30 days of initial service or employment.

Results: We performed the procedures and discussed the results with management.

14) SEXUAL HARASSMENT

A. **Procedures:** Using the 5 randomly selected employees/officials from procedure #9A under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Results: This entity is not subject to sexual harassment law. Therefore, this procedure is not applicable.

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

Results: This entity is not subject to sexual harassment law. Therefore, this procedure is not applicable.

C. **Procedure:** Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that 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;

BATON ROUGE CHILDREN'S ADVOCACY CENTER
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

14) SEXUAL HARASSMENT (CONTINUED)

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and amount of time it took to resolve each complaint.

Results: This entity is not subject to sexual harassment law. Therefore, this procedure is not applicable.



Baton Rouge
Children's Advocacy Center
Hope Is Here

June 17, 2024

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Management responses to the AUP findings:

1. The Finance Committee has an agenda for meetings starting last year and will have on the agenda this year the audit findings until the committee feels the issue is fully resolved.
2. The Director of Finance and the Board President met earlier this year and cleared most of the outstanding items on the Capital One Bank reconciliation. There were a few that the Board President required assistance from the CPA to resolve. These issues will continue to stay on the finance committee meeting agenda until all are cleared. The Capital One bank account will be closed by the end of 2024 as it is not the primary checking account for the BRCAC.
3. This was a \$30 check that was delivered later than expected by a board member (Julie Pleasant). Julie called and said she was going to pay the \$30 for raffle tickets with a check. It was the last day of the raffle when she called but didn't deliver until the board meeting 2 weeks later. The check was deposited 2 days after that meeting. It was also an instance when the check needed to be delivered to our charitable gaming account instead of our main checking account.

Tax ID# 260028918

Sincerely,

Tanya R. Haase
Executive Director



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