



Family Justice Center

— CENTRAL LOUISIANA —

**Family Justice of Central Louisiana, Inc.
Annual Financial Report
For the Year Ended December 31, 2022**



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Independent Auditors' Report

To the Board of Directors
Family Justice Center of Central Louisiana, Inc.

Qualified Opinion

We have audited the accompanying financial statements of the Family Justice Center of Central Louisiana (FJC) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, except for the potential effects of contingencies described more described in the Basis for Qualified Opinion section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of FJC as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

As more fully described in Note 10 to the financial statements, contingencies are associated with purchases lacking supporting documentation or valid business purpose. The effects on the accompanying financial statements of contingencies have not been determined.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 FJC 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 qualified audit opinion.

Substantial Doubt about the Organization's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that FJC will continue as a going concern. As discussed in Note 13 to the financial statements, FJC has experienced losses, has a net deficiency in net assets, and has stated that substantial doubt exists about FJC's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding those matters are also described in Note 13. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Emphasis of Matter – Grant Contingencies

As discussed in Note 6, matters that led to a qualified opinion could potentially lead grantors to request refunds. It is not possible to predict at this time the extent of any liability that may result from possible refund requests. Our opinion is not modified with respect to this matter.



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Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, 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 FJC'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 FJC'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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits, and Other Payments to Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of

America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

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



Rozier, McKay & Willis
Certified Public Accountants
Alexandria, Louisiana

July 28, 2023



Statement of Financial Position

December 31, 2022

Assets

Current Assets:

| | | |
|---------------------------|----|---------|
| Cash and Cash Equivalents | \$ | 717,114 |
| Accounts Receivable | | 46,239 |
| Lease - Right to Use | | 13,051 |
| Prepaid Expenses | | 7,601 |
| | | <hr/> |

Total Current Assets 784,005

| | | |
|------------------------|--|--------|
| Lease - Right to Use | | 19,576 |
| Property and Equipment | | 1,691 |
| | | <hr/> |

Total Assets \$ 805,272

Liabilities

Current Liabilities:

| | | |
|--|----|---------|
| Accounts Payable and Payroll Liabilities | \$ | 7,964 |
| Accrued Wages | | 31,689 |
| Accrued Leave | | 7,181 |
| Deferred Revenue | | 815,803 |
| Current Portion of Lease Obligation | | 12,617 |
| | | <hr/> |

Total Liabilities (Current) 875,254

Long-Term Liabilities

| | | |
|------------------|--|--------|
| Lease Obligation | | 20,528 |
| | | <hr/> |

Net Assets

| | |
|----------------------------|----------|
| Without Donor Restrictions | (90,510) |
| With Donor Restrictions | - |
| | <hr/> |

Total Net Assets (90,510)

Total Liabilities and Net Assets \$ 805,272

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



Statement of Activities

For the Year Ended December 31, 2022

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|---------------------------------------|------------------------------------|--------------------|
| <u>Revenues and Support</u> | | | |
| Contributions | \$ 190,852 | \$ 695,957 | \$ 886,809 |
| Fundraising | 30,027 | - | 30,027 |
| Other | 1,126 | - | 1,126 |
| Net Assets Released From Restrictions | 695,957 | (695,957) | - |
| | <u>917,962</u> | <u>-</u> | <u>917,962</u> |
| <u>Expenses</u> | | | |
| <u>Program Services</u> | | | |
| Domestic Violence Prevention and Victims Assistance | 903,233 | - | 903,233 |
| <u>Support Services</u> | | | |
| Management and General | 188,199 | - | 188,199 |
| Fundraising | 11,645 | - | 11,645 |
| | <u>1,103,077</u> | <u>-</u> | <u>1,103,077</u> |
| Change in Net Assets | (185,115) | - | (185,115) |
| Net Assets - Beginning of Year | 94,605 | - | 94,605 |
| Net Assets - End of Year | <u>\$ (90,510)</u> | <u>\$ -</u> | <u>\$ (90,510)</u> |

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



Statement of Functional Expenses
For the Year Ended December 31, 2022

| | <u>Program Services</u> | <u>Support Services</u> | | | <u>Total Expenses</u> |
|------------------------------|--|-------------------------------------|--------------------|-------------------------------|-----------------------|
| | <u>Domestic Violence Prevention and Victims Assistance</u> | <u>General & Administrative</u> | <u>Fundraising</u> | <u>Total Support Services</u> | |
| Personnel | 646,881 | 66,537 | - | 66,537 | 713,418 |
| Client Expense | 67,585 | 2,060 | - | 2,060 | 69,645 |
| Contract Services | 10,490 | 19,248 | - | 19,248 | 29,738 |
| Insurance | 20,563 | - | - | - | 20,563 |
| Occupancy | 21,542 | 56,540 | - | 56,540 | 78,082 |
| Office | 25,741 | 17,102 | - | 17,102 | 42,843 |
| Repairs and Maintenance | 13,820 | 7,132 | - | 7,132 | 20,952 |
| Supplies | 33,117 | 12,411 | - | 12,411 | 45,528 |
| Telephone and Communications | 33,466 | 478 | - | 478 | 33,944 |
| Travel and Conferences | 6,573 | 781 | - | 781 | 7,354 |
| Utilities | 15,662 | - | - | - | 15,662 |
| Depreciation | 2,536 | - | - | - | 2,536 |
| Other | 5,257 | 5,910 | 11,645 | 17,555 | 22,812 |
| Total | 903,233 | 188,199 | 11,645 | 199,844 | 1,103,077 |

See Accompanying Notes are an integral part of the financial statements.



Statement of Cash Flows

For the Year Ended December 31, 2022

Cash Flows From Operating Activities

| | |
|---|--------------|
| Change in Net Assets | \$ (185,115) |
| Adjustments to Reconcile Increases in Net Assets to Net Cash Provided by Operating Activities | |
| Depreciation | 2,536 |
| (Increase) Decrease in Accounts Receivable | 13,950 |
| (Increase) Decrease in Prepaid Expenses | 2,437 |
| Increase (Decrease) in Accounts Payable and Payroll Liabilities | 5,864 |
| Increase (Decrease) in Accrued Wages | 16,393 |
| Increase (Decrease) in Accrued Leave | 400 |
| Increase (Decrease) in Deferred Revenues | 815,803 |
| Increase (Decrease) in Net Lease Obligation | 518 |
| | <hr/> |
| Net Cash Provided (Used) by Operating Activities | 672,786 |

Cash Flows From Investing Activities

| | |
|--|---------|
| Purchasd of Property and Equipment | <hr/> - |
| Net Cash Provided (Used) by Investing Activities | <hr/> - |

Cash Flows From Financing Activities

| | |
|--|---------|
| Proceeds from Debt | - |
| Repayment of Debt | <hr/> - |
| Net Cash Provided (Used) by Financing Activities | <hr/> - |

| | |
|---|------------------------|
| Net Increase (Decrease) in Cash | 672,786 |
| Cash and Equivalents- Beginning of Year | <hr/> 44,328 |
| Cash and Equivalents- End of Year | <hr/> <hr/> \$ 717,114 |

For the year ended December 31, 2022, there were no significant investing or financing activities that did not result in cash flows. In addition, supplemental disclosures of cash flow information is presented as follows:

| | |
|--------------------------------|----------------------|
| Cash Paid for Income Taxes | \$ - |
| Cash Paid for Interest Expense | <hr/> <hr/> \$ 2,913 |

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

Note 1 – Significant Account Policies

Family Justice Center of Central Louisiana, Inc. (FJC) is a nonprofit corporation. The corporation's mission is preventing domestic violence and providing assistance to victims of domestic violence. Revenue to support FJC's operations is provided by grants and donations from government agencies, private sources and foundations.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this method, revenues are recognized when earned and expenses are recorded at the time liabilities are incurred.

Use of Estimates

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

Cash and Cash Equivalents:

Cash and cash equivalents for the purpose of reporting cash flows consist of bank deposits and highly liquid investments with original maturities of three months or less.

Property and Equipment

Property and equipment are recorded at cost on the date of acquisition. Depreciation is computed using the straight-line method over estimated useful lives of 5 to 7 years. There are no significant amounts of property and equipment subject to donor imposed restrictions or time limits.

Donated Services and In-Kind Support

Sources of in-kind support are listed as follows:

- FJC occupies a facility in exchange for a nominal rental fee.
- Materials and supplies were received from various donors.

The in-kind support has been provided by unaffiliated parties. The fair value of in-kind support is reported as a contribution without donor restrictions. The fair value of these contributions has also been used to fulfill matching requirements associated with its principal operating grant.

In addition, FJC receives donated services from unpaid volunteers who assist with activities and events. No amounts have been recognized in connection with the volunteer services because recognition criteria have not been satisfied.

Income Taxes

FJC has received a determination letter from the Internal Revenue Service stating that it is exempt from income taxes. In addition, it is also exempt from taxes which apply to private foundations.

Accrued Leave

FJC provides a leave policy that allows accumulation of unused annual leave that is carried forward each year. Upon separation of employment, FJC will pay annual leave up to certain maximums that vary depending on the employee's length of service. The remainder of unused annual leave and all sick leave is canceled.

Deferred Revenue

Grant funds that are collected before the grant conditions are fulfilled are reported as deferred revenue. The liability for deferred revenues is eliminated and revenue is recognized as conditions are fulfilled.

Restricted Contributions

Grant funds awarded to FJC are typically subject to restrictions and are reported as donor restricted when the funds are earned.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services based on estimates determined by management. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Note 2 – Cash and Investments

Cash and investments are limited to bank deposits that are partially insured by the Federal Deposit Insurance Corporation (FDIC). These amounts are reported at cost, which approximates market values.

Note 3 – Receivables

Receivables are limited to amounts earned under grant arrangements. Due to the nature of these receivables, no collection problems are anticipated.

Note 4 – Property and Equipment

Property and equipment utilized in FJC's operations are summarized as follows:

| | |
|---|-----------------|
| Furniture, Fixtures and Equipment | \$ 10,145 |
| Accumulated Depreciation | <u>(8,454)</u> |
| Furniture, Fixtures and Equipment (Net) | <u>\$ 1,691</u> |

Depreciation expense for the year ended December 31, 2022 totaled \$2,536.

Note 5 - Managements' Review

Management has evaluated subsequent events through July 28, 2023, which is the date the financial statements were available to be issued. There were no subsequent events that require recording or disclosure in the financial statements.

Note 6 – Grant Contingencies

FJC participates in certain programs that are supported by grant funds. Grantor agencies routinely review grant activity and could request reimbursement if a dispute occurs regarding compliance with grant conditions. In addition, contingencies discussed in Note 10 could lead grantor agencies to disallow reimbursements and request refunds.

Note 7 - Concentrations

FJC receives the majority of its funding through the Louisiana Commission on Law Enforcement. Due to this source of dependence, operations could be impacted by any events that adversely affect the Louisiana Commission on Law Enforcement.

Note 8 – Liquidity and Availability of Financial Assets

Essentially all assets are of a financial nature. Liquidity is provided by maintaining cash reserves on deposit with a regulated financial institution. In addition, ongoing contractual arrangements with funding sources are expected to provide sufficient resources to meet cash needs for general expenditure during the subsequent period. Furthermore, supporters have made credit available to provide cash flow when other resources are not immediately available.

Note 9 – In-Kind Contributions

As discussed in Note 1, FJC has been the recipient of in-kind contributions. Details associated with these contributions are provided as follows:

| <u>Description</u> | <u>Revenue Recognized (Fair Market Value)</u> |
|---|---|
| An office facility has been provided by a nonprofit organization that supports the FJC. The arrangement is informal and the FJC does not have a lease or any long-term claim on the facility. | \$ 55,920 |



| Description | Revenue Recognized (Fair Market Value) |
|---|---|
| Donations of supplies and other miscellaneous support | 30,108 |
| Other | 270 |
| Total | <u>\$ 86,298</u> |

Note 10 – Expenses Contingencies

An analysis of expenses has revealed some potentially problematic purchases. Possible problems are described as follows:

- Documentation was not available to support a portion of purchases made with debit cards or funds obtained from cash withdrawals.
- Some of the expenses were indicative of waste or abuse as defined by Government Auditing Standards:
 - Waste – Using or expending resources carelessly, extravagantly, or to no purpose.
 - Abuse – Purchases that a prudent person would not consider reasonable and necessary business practices given the facts and circumstances.

Consequences associated with these expenses cannot presently be determined but could include request for repayment from sources of grant funds or other supporters. Potential impacts are summarized as follows:

| | Potential Impact |
|--|-----------------------------|
| Projected undocumented purchases using debit cards or proceeds from cash withdrawals | \$ 12,182 |
| Other transactions lacking documentation or adequate purpose | 1,197 |
| Apparent waste and abuse | 22,376 |
| Total | <u>\$ 35,755</u> |

Note 11 – Leasing

FJC has acquired an additional facility by executing an operating lease. The lease requires 36 payments of \$1,200 and the initial payment was due July 2022. The lease obligation has been determined based on an interest rate of 6.5%. Maturities of the lease liabilities are summarized as follows:

| | |
|----------------------|---------------|
| 2023 | \$ 14,400 |
| 2024 | 14,400 |
| 2025 | 7,200 |
| Total Lease Payments | <u>36,000</u> |
| Less Interest | <u>2,855</u> |



| | |
|----------------------------------|------------------|
| Present Value of Lease Liability | 33,145 |
| Current Portion | 12,617 |
| Long Term Portion | <u>\$ 20,528</u> |

Additional details associated with leasing are provided as follows:

| | |
|---|-----------|
| Operating Lease Expense | \$ 6,526 |
| Lease assets obtained in exchange for lease obligations | \$ 39,153 |

Note 12 – Deferred Revenue

FJC has collected \$1,000,000 from funding provided by the State Legislature. At year end, \$184,803 has been utilized to complete allowable grant activity and recognition of the remaining \$815,803 has been deferred. The deferred revenue will fund future allowable expenses or returned to the grantor.

Note 13 – Going Concern

As reported in the accompanying financial statements, FJC has experienced a substantial operating loss and the extent of the loss has resulted in reporting a deficit for net assets. Management considers these adverse financial conditions to be a challenge to sustaining operations.

Management is developing plans to alleviate matters that contributed to adverse financial conditions. The development of these plans is in the preliminary stages. Due to the preliminary nature of these activities, feasibility and likelihood of success cannot presently be determined. Due to the extent of the prevailing financial challenges, management has concluded that the combination of these uncertainties casts substantial doubt upon FJC's ability to continue as a going concern within one year from issuance of these financial statements.

The financial statements of FJC have been prepared using generally accepted accounting principles applicable to a going concern which contemplates that the Organization will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Despite these assumptions, FJC may be unable to realize its assets and discharge its liabilities in the normal course of operations.



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

To the Board of Directors
Family Justice Center of Central Louisiana, Inc.

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 the Family Justice Center of Central Louisiana, Inc., (FJC) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 28, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered FJC'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of FJC's internal control. Accordingly, we do not express an opinion on the effectiveness of FJC's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2022-003 and 2022-005 to be material weaknesses.



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Family Justice Center

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2022-001, 2022-002, 2022-004, and 2022-007 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether FJC'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2022-006 and 2022-008.

FJC's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the FJC's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. FJC'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. Accordingly, this communication is not suitable for any other purpose.



Rozier, McKay & Willis
Certified Public Accountants
Alexandria, Louisiana

July 28, 2023

Part I - Summary of Auditor's Results:

- The Independent Auditor's Report on the financial statements for the Family Justice Center of Central Louisiana, Inc. as of December 31, 2022 and for the year then ended expressed a qualified opinion.
- Control deficiencies were disclosed during the audit of the financial statements as presented below. A portion of the control deficiencies described below were considered to be material weaknesses.
- Instances of noncompliance material to the financial statements of the FJC were disclosed as presented below.

Part II - Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:

2022-001 – Reporting In-Kind Contributions (Originally Reported 2020):

- **Condition** – In-kind receipts of victim supplies included a total of twelve transactions of \$3,000 each; however, the transactions were not consistent with actual receipts.
- **Criteria** – Proper reporting requires a complete and accurate accounting of in-kind contributions.
- **Cause** – Management has not sufficiently monitored in-kind activity reported by accounting service providers.
- **Effect** – In-kind activity was not accurately reported.
- **Recommendation** - Establish procedures for ongoing monitoring and evaluation of in-kind amounts reported in the financial statements. In addition, we suggest developing a process for reporting actual in-kind receipts to accounting service providers on a monthly basis.

2022-002 – Grant Reporting (Originally Reported 2020)

- **Condition** - Accounting software utilized for financial reporting includes features that allow a profit and loss statement to be maintained for each grant program. The features were used to generate profit and loss statements for grants, but only to an extent. The profit and loss statements generated by the accounting software were not completely consistent with amounts appearing in reports submitted to grantors.
- **Criteria** – In order to prevent potential errors, financial statements should agree with reports issued to grantors or be reconciled to reports that grantors receive.
- **Cause** – Certain transactions affecting grants were not coded to those grants when amounts were recorded in the financial statements.
- **Effect** – Grant reports were not fully supported by financial statements and certain allowable cost may not have been submitted to grantors for reimbursement.
- **Recommendation** – Each transaction associated with a grant should be assigned to the appropriate grant when the transaction is recorded in the accounting software. The ability to accurately generate financial statements for each grant will become more important as additional grant funding is obtained.

2022-003 – Supporting Documentation (Originally Reported 2022)

- **Condition** – Documentation was not available to support a substantial portion of purchases.
- **Criteria** – Proper administration and internal control requires retention of documentation to support transactions by demonstrating that funds were expended properly.
- **Cause** – Controls associated with purchasing by check were circumvented by using debit cards and documentation associated with these transactions was not properly preserved.
- **Effect** – Financial statements were considered misstated, and the auditors' report was modified accordingly.
- **Recommendation** – Forbid the use of debit cards and establish filing procedures to ensure that documentation is preserved for all transactions.

2022-004 – Reporting of PayPal Purchases (Originally Reported 2022)

- **Condition** – A PayPal account was used to make purchases, but details associated with these purchases were omitted from the general ledger. Only amounts transferred between the PayPal account and various bank accounts were reported in the general ledger.
- **Criteria** – Implementation of proper internal control requires reporting all transactions regardless of size.
- **Cause** – Using PayPal for purchases circumvented established controls and details regarding PayPal transactions were not provided to the accounting service provider for reporting in the financial statements.
- **Effect** – The financial statements were distorted by omitting portions of PayPal purchases.
- **Recommendation** – Discontinue using PayPal as a form of payment and send complete PayPal statements to the accounting service provider on a monthly basis to ensure that all details are reported.

2022-005 – Waste and Abuse (Originally Reported 2022)

- **Condition** – Certain purchases were indicative of waste or abuse. Transactions included in these categories included overdraft fees, cable and satellite television subscriptions, dining out by the staff, furniture and accessories not consistent with the organizations needs, and purchases of general merchandise that do not appear reasonable and necessary.
- **Criteria** – Government Auditing Standards define waste as the act of using or expending resources carelessly, extravagantly, or to no purpose. In addition, these standards also define abuse as behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary business practices given the facts and circumstances.
- **Cause** – Inadequate oversight of purchasing.
- **Effect** – In addition to diverting funds from more critical needs, waste and abuse could damage relationships with grantors and potentially result in noncompliance with laws or grant agreements.
- **Recommendation** – Establishing guidelines for purchase and implementing monitoring procedures to ensure that guidelines are observed.

2022-006 – Potential Misappropriation (Originally Reported 2022)

- **Condition** – In addition to the waste and abuse described above, evidence suggests that certain resources may have been used inappropriately. Among other things, suspicious transactions include withdrawing cash from bank accounts without preserving any record of how the cash was used on behalf of the Family Justice Center.
- **Criteria** – Various laws prohibit expending funds without receiving equivalent value in return.
- **Cause** – Certain personnel did not follow established purchasing procedures.
- **Effect** – Potential violations of State Law.
- **Recommendation** – Refer the matter to law enforcement agencies for further investigation.

2022-007 – Attendance (Originally Reported 2022)

- **Condition** – Findings indicate that absences during portions of the business day were not always reflected on employee's time records.
- **Criteria** – Proper administration requires accurate records associated with employee's time and attendance. Maintaining records of this nature is particularly important when operations are funded by grants that cover personnel costs.
- **Cause** – Management appears to have adopted a tolerant attitude regarding short term absences. As a result, attendance policies were not strictly enforced.
- **Effect** – Poor accountability could lead to a variety of unfavorable outcomes, including waste, fraud, or abuse.
- **Recommendation** – Revise procedures to incorporate enforcement measures that will ensure accurate reported of attendance.

2022-008 – Financial Reporting (Originally Reported 2022)

- **Condition** – Due to matters that required additional time and attention, it was not possible to complete the audit within six months of year end.
- **Criteria** – State law requires audits to be completed within six months of the year end.
- **Cause** – Additional work was necessary to evaluate allegations involving the actions of former management.
- **Effect** – Noncompliance with statutes requiring audits to be completed within six months.
- **Recommendation** – Eliminate issues that contributed to allegations involving former management by resolving the findings cited above.



| SECTION I | |
|---|--|
| INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS. | |
| <p><u>2022-001 – Reporting In-Kind Contributions:</u></p> <p>An analysis of transactions reporting in-kind contributions revealed some inaccuracies. Establish procedures for ongoing monitoring and evaluation of in-kind amounts reported in the financial statements. In addition, we suggest developing a process for reporting actual in-kind receipts on a monthly basis.</p> | <p><u>2022-001 - Managements' Response</u></p> <p>We have taken measures to ensure reporting of in-kind donations are reported accurately. In-kind donations were documented and the amounts reported monthly to the accounting firm responsible for bookkeeping, however the bookkeeper used a journal entry rather than the actual reported amount on the monthly financial statements. We have addressed this issue with the bookkeeper to eliminate further errors in the financial statements.</p> |
| <p><u>2022-002 – Grant Reporting</u></p> <p>Accounting software utilized for financial reporting includes features that allow a profit and loss statement to be maintained for each grant program. The features were used to generate profit and loss statements for grants, but only to an extent. The profit and loss statements generated by the accounting software were not completely consistent with amounts appearing in reports submitted to grantors. In the future, each transaction associated with a grant should be assigned to the appropriate grant when the transaction is recorded in the accounting software.</p> | <p><u>2022-002 – Managements' Response</u></p> <p>This finding is the result of improper coding and reporting of expenditures by the past executive director. We have reviewed proper coding and reporting procedures with the new director and will establish procedures to ensure that financial statements and grant reports are properly reconciled.</p> |
| <p><u>2022-003 – Supporting Documentation</u></p> <p>Proper administration and internal control requires retention of documentation to support transactions by demonstrating that funds were expended properly. Documentation was not available to support a substantial portion of purchases.</p> | <p><u>2022-003 – Managements' Response</u></p> <p>Agency policy requires that all expenditures be properly supported by invoices or receipts and then coded to the appropriate funding source. We have taken measures to ensure that proper procedures are followed in the future to ensure documentation is preserved for each transaction.</p> |
| <p><u>2022-004 – Reporting of PayPal Purchases</u></p> <p>Implementation of proper internal control requires reporting all transactions regardless of size. A PayPal account was used to make purchases, but details associated with these purchases were omitted from the general ledger. Only amounts transferred between the PayPal account and various bank accounts were reported in the general ledger.</p> | <p><u>2022-004 – Managements' Response</u></p> <p>The agency PayPal account was created for the purpose of accepting online donations and to accept funds from fundraising events. It was never intended to be used to make purchases. We have directed that no further purchases be made from the PayPal account and that the entire PayPal statement be furnished monthly to the accounting firm responsible for bookkeeping.</p> |



| | |
|---|--|
| <p><u>2022-005 – Waste and Abuse</u> Certain purchases were indicative of waste or abuse. Transactions included in these categories included overdraft fees, cable and satellite television subscriptions, dining out by the staff, furniture and accessories not consistent with the organizations needs, and purchases of general merchandise that do not appear reasonable and necessary.</p> | <p><u>2022-005 – Managements’ Response</u> We intend to establish guidelines for purchasing that will promote prudent decisions and limit purchase to items that are reasonable and necessary in the circumstances. In addition, we expect to implement monitoring procedures to ensure that guidelines are observed.</p> |
| <p><u>2022-006 – Potential Misappropriation</u> In addition to the waste and abuse described above, evidence suggests that certain resources may have been used inappropriately. Among other things, suspicious transactions include withdrawing cash from bank accounts without preserving any record of how the cash was used on behalf of the Family Justice Cener.</p> | <p><u>2022-006 – Managements’ Response</u> This matter was investigated internally and turned over to the Pineville Police Department. An arrest was made on September 6, 2023.</p> |
| <p><u>2022-007 – Attendance</u> Proper administration requires accurate records associated with employee’s time and attendance. Maintaining records of this nature is particularly important when operations are funded by grants that cover personnel costs. Findings indicate that absences during portions of the business day were not always reflected on employee’s time records.</p> | <p><u>2022-007 – Managements’ Response</u> We have implemented new HR software with an attendance and time keeping component to assist in monitoring attendance and will assist in enforcing policies.</p> |
| <p><u>2022-008 – Financial Reporting</u> State law requires audits to be completed within six months of the year end. Due to matters that required additional time and attention, it was not possible to complete the audit within six months of the year end.</p> | <p><u>2022-008 – Managements’ Response</u> By implementing corrective action for the findings presented above, we intend to eliminate conditions that required additional time and attention for the current audit.</p> |
| <p>SECTION II MANAGEMENT LETTER</p> | |
| <p>No management letter was issued.</p> | <p>Response – N/A</p> |

| SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS. | |
|--|---|
| <p><u>2021-001 – Reporting In-Kind Contributions:</u> An analysis of transactions reporting in-kind contributions revealed some inaccuracies. Establish procedures for ongoing monitoring and evaluation of in-kind amounts reported in the financial statements. In addition, we suggest developing a process for reporting actual in-kind receipts on a monthly basis.</p> | <p><u>2021-001 - Unresolved</u> See 2022-001 for further details on the current status of this matter.</p> |
| <p><u>2021-002 – Grant Reporting</u> Accounting software utilized for financial reporting includes features that allow a profit and loss statement to be maintained for each grant program. The features were used to generate profit and loss statements for grants, but only to an extent. The profit and loss statements generated by the accounting software were not completely consistent with amounts appearing in reports submitted to grantors. In the future, each transaction associated with a grant should be assigned to the appropriate grant when the transaction is recorded in the accounting software.</p> | <p><u>2021-002 - Unresolved</u> See 2022-001 for further details on the current status of this matter.</p> |
| <p><u>2021-003 – Reporting Health Insurance</u> Expenses and related liabilities associated with providing health insurance for employees were overstated. We recommend correcting variables entered in the computer system used for processing payroll to prevent further misstatement of the financials.</p> | <p><u>2020-003 – Resolved</u> The matter has been corrected during the current period.</p> |
| SECTION II MANAGEMENT LETTER | |
| <p>No management letter was issued.</p> | <p>Response – N/A</p> |



***Schedule of Compensation, Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended December 31, 2022***

| | <u>Agency Head (Executive Director)</u> |
|------------------|---|
| | Carly Long |
| Purpose: | |
| Compensation | <u>\$ 67,602</u> |
| Benefits | |
| Health Insurance | <u>\$ 9,255</u> |
| Life Insurance | <u>\$ 31</u> |

APPENDIX A
Statewide Agreed-Upon Procedures



Independent Accountant's Report
On Applying Agreed-Upon Procedures

To the Family Justice Center and
the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Family Justice Center of Central Louisiana (the Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. The Entity's management is responsible for those C/C areas identified in the SAUPs.

The entity 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 described above. 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.

We were engaged 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 the entity 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.

Rozier, McKay & Willis
Certified Public Accountants
Alexandria, Louisiana
September 4, 2023



Rozier, McKay & Willis
Certified Public Accountants
Voice: 318.442.1608

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Alexandria, Louisiana 71301
Online: CenlaCPAs.com

**Statewide Agreed-Upon Procedures
Schedule of Procedures, Results and Managements' Response (Continued)**

| Written Policies and Procedures | | |
|--|---|---|
| Agreed-Upon Procedure | Results | Managements' Response |
| <p>1 Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories.</p> <ul style="list-style-type: none"> • Budgeting • Purchasing • Disbursements • Receipts • Payroll/Personnel • Contracting • Credit Cards • Travel and expense reimbursements • Ethics • Debt Service • Disaster Recovery / Business Continuity • Sexual Harassment | <p>Applicable policies were in place, with the exception of the following items:</p> <ul style="list-style-type: none"> • Receipts • Credit Cards • Debt Service • Information Technology Disaster Recovery / Business Continuity | <p>Despite the absence of formal written polices, we have a functional process for addressing the matters described in the results and we will consider whether a formal policy is necessary.</p> |

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

| Board (or Finance Committee) | | |
|---|---|---|
| Agreed-Upon Procedure | Results | Managements' Response |
| <p>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:</p> <p>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.</p> <p>b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. <i>Alternately, for those entities reporting on the non-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.</i></p> <p>c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior</p> | <p>Meetings were conducted monthly.</p> <p>N/A – Applies only to governmental entities.</p> <p>N/A – Applies only to governmental entities.</p> | <p><i>The results did not include any findings or questioned cost.</i></p> <p><i>The results did not include any findings or questioned cost.</i></p> <p><i>The results did not include any findings or questioned cost.</i></p> |

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

| Board (or Finance Committee) | | |
|---|--|--|
| Agreed-Upon Procedure | Results | Managements' Response |
| <p>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 unrestricted fund balance in the general fund.</p> <p>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.</p> | <p>Minutes did not include any discussion of audit findings.</p> | <p>In the future, we will document our consideration of audit findings and managements' corrective action.</p> |

**Statewide Agreed-Upon Procedures
Schedule of Procedures, Results and Managements' Response (Continued)**

| Bank Reconciliations | | |
|---|--|--|
| Agreed-Upon Procedure | Results | Managements' Response |
| <p>3 Obtain a listing of client 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 selected each account, and observe that:</p> <p>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);</p> <p>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</p> <p>c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.</p> | <p>Reconciliations were prepared within two months.</p> <p>Reconciliations were performed by an external Certified Public Accounting firm.</p> <p>Transactions outstanding more than 12 months consisted of 12 items with an aggregate value of \$3,805.</p> | <p><i>The results did not include any findings or questioned cost.</i></p> <p><i>The results did not include any findings or questioned cost.</i></p> <p>Despite the overall immateriality of the amounts involved, we intend to research and resolve these matters when other more pressing issues are resolved</p> |

Statewide Agreed-Upon Procedures
Schedule of Procedures, Results and Managements' Response (Continued)

| Collections (excluding EFTs) | | |
|---|--|---|
| Agreed-Upon Procedure | Results | Managements' Response |
| 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. | Reconciliations are performed by an independent financial professional that does not have access to resources. | <i>The results did not include any findings or questioned cost.</i> |
| 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. | Posting collections is the responsibility of an independent financial professional that does not have access to resources. | <i>The results did not include any findings or questioned cost.</i> |
| 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 verifies the reconciliation. | Reconciliations are performed by an independent financial professional that does not have access to resources. | <i>The results did not include any findings or questioned cost.</i> |
| 6 Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft. | The policy provides coverage up to \$100,000. | <i>The results did not include any findings or questioned cost.</i> |
| 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 | | |

**Statewide Agreed-Upon Procedures
Schedule of Procedures, Results and Managements' Response (Continued)**

| Collections (excluding EFTs) | | |
|---|--|---|
| Agreed-Upon Procedure | Results | Managements' Response |
| <p>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:</p> <p>a. Observe that receipts are sequentially pre-numbered.</p> <p>b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.</p> <p>c. Trace the deposit slip total to the actual deposit per the bank statement.</p> <p>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 10 miles from the collection location or the deposit is less than \$100).</p> <p>e. Trace the actual deposit per the bank statement to the general ledger.</p> | <p>No receipts were issued.</p> <p>No receipts were issued.</p> <p>Bank statements agree with deposit slips.</p> <p>Due to the absence of receipts, it was not possible to identify the actual collection date.</p> <p>Deposits agree with the general ledger.</p> | <p>We intend to revise our collection procedures to incorporate additional documentation and control.</p> <p>We intend to revise our collection procedures to incorporate additional documentation and control.</p> <p><i>The results did not include any findings or questioned cost.</i></p> <p>We intend to revise our collection procedures to incorporate additional documentation and control.</p> <p><i>The results did not include any findings or questioned cost.</i></p> |

**Statewide Agreed-Upon Procedures
Schedule of Procedures, Results and Managements' Response (Continued)**

| Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments) | | |
|---|---|---|
| Agreed-Upon Procedure | Results | Managements' Response |
| <p>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).</p> <p>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:</p> <p>a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.</p> <p>b) At least two employees are involved in processing and approving payments to vendors.</p> <p>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.</p> | <p>All payments are processed at the main office.</p> <p>The Executive Director was responsible for purchasing and was also responsible for signing checks.</p> <p>Typically checks were signed only by the Executive Director.</p> <p>The accounting system is maintained by an external vendor.</p> | <p><i>The results did not include any findings or questioned cost.</i></p> <p>We intend to revise our policies and procedures to involve more individuals in the purchasing process.</p> <p>We intend to revise our policies and procedures to involve more individuals in the purchasing process.</p> <p><i>The results did not include any findings or questioned cost.</i></p> |

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

| Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments) | | |
|---|---|---|
| Agreed-Upon Procedure | Results | Managements' Response |
| <p>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.</p> | <p>An appropriate official is responsible for mailing checks.</p> | <p><i>The results did not include any findings or questioned cost.</i></p> |
| <p>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:</p> <p>a. Observe that the disbursement matched the related original invoice/billing statement.</p> <p>b. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.</p> | <p>Disbursements were supported by invoices.</p> <p>Responsibility has been vested primarily in the Executive Director.</p> | <p><i>The results did not include any findings or questioned cost.</i></p> <p>We intend to revise our policies and procedures to involve more individuals in the process.</p> |
| <p>11 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</p> | <p>A total of 22 electronic payments with a total value of \$12,686 were tested. Two of the transactions with a value of \$231 were not supported by documentation.</p> | <p>We intend to revise our policies and procedures to provide further assurance that supporting documentation is preserved.</p> |

**Statewide Agreed-Upon Procedures
Schedule of Procedures, Results and Managements' Response (Continued)**

| Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments) | | |
|--|---------|-----------------------|
| Agreed-Upon Procedure | Results | Managements' Response |
| checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements. | | |

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

| Credit Cards/Debit Cards/Fuel Cards/P-Cards | | |
|---|--|--|
| Agreed-Upon Procedure | Results | Managements' Response |
| <p>12 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.</p> <p>13 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:</p> <p>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, by someone other than the authorized card holder.</p> <p>b. Observe that finance charges and late fees were not assessed on the selected statements.</p> | <p>Management furnished the accompanying list.</p> <p>No evidence of review was present on credit card statements or bank statements for accounts that incurred debit card transactions.</p> <p>Late fees were assessed on credit card statements.</p> | <p><i>The results did not include any findings or questioned cost.</i></p> <p>We have eliminated the use of debit cards and are in the process of revising procedures to include review of credit card statements.</p> <p>In the future, policy will require paying credit card balances in full prior to the due date. In addition, reviewing credit card statements on a regular basis will promote enforcement of these requirements.</p> |

**Statewide Agreed-Upon Procedures
Schedule of Procedures, Results and Managements' Response (Continued)**

| Credit Cards/Debit Cards/Fuel Cards/P-Cards | | |
|---|--|---|
| Agreed-Upon Procedure | Results | Managements' Response |
| 14 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). | Numerous debit card transactions were not supported by documentation, and business purpose was not apparent for many transactions. In addition, credit card transactions selected for testing were fully documented but uncertainty regarding the business purpose was present for some of the transactions. | We are in the process of revising procedures to strengthen oversight and enhance internal controls. |

**Statewide Agreed-Upon Procedures
Schedule of Procedures, Results and Managements' Response (Continued)**

| Travel and Expense Reimbursement | | |
|---|---|---|
| Agreed-Upon Procedure | Results | Managements' Response |
| <p>15 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:</p> <p>a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).</p> <p>b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.</p> <p>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).</p> <p>d. Observe that each reimbursement was reviewed and approved, in writing, by</p> | <p>Appropriate per diem rates were used.</p> <p>Actual costs were supported by documentation.</p> <p>Documentation was provided, no meals were included in the transactions selected.</p> <p>Approval was documented.</p> | <p><i>The results did not include any findings or questioned cost.</i></p> <p><i>The results did not include any findings or questioned cost.</i></p> <p><i>The results did not include any findings or questioned cost.</i></p> <p><i>The results did not include any findings or questioned cost.</i></p> |

Statewide Agreed-Upon Procedures
Schedule of Procedures, Results and Managements' Response (Continued)

| Travel and Expense Reimbursement | | |
|--|---------|-----------------------|
| Agreed-Upon Procedure | Results | Managements' Response |
| someone other than the person receiving reimbursement. | | |

**Statewide Agreed-Upon Procedures
Schedule of Procedures, Results and Managements' Response (Continued)**

| Contracts | | |
|--|--|---|
| Agreed-Upon Procedure | Results | Managements' Response |
| <p>16 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:</p> <p>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.</p> <p>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).</p> <p>c. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.</p> <p>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 that the invoice and related payment agreed to the terms and conditions of the contract.</p> | <p>Limited to two leases of office space.</p> <p>Contracts were limited to leasing that was not subject to competitive bidding.</p> <p>Approval was documented in the minutes.</p> <p>Agreements did not feature any amendments.</p> <p>Payments were consistent with payment terms.</p> | <p><i>The results did not include any findings or questioned cost.</i></p> <p><i>The results did not include any findings or questioned cost.</i></p> <p><i>The results did not include any findings or questioned cost.</i></p> <p><i>The results did not include any findings or questioned cost.</i></p> |

**Statewide Agreed-Upon Procedures
Schedule of Procedures, Results and Managements' Response (Continued)**

| Payroll and Personnel | | |
|---|---|---|
| Agreed-Upon Procedure | Results | Managements' Response |
| <p>17 Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.</p> | <p>The list was provided by management.</p> | <p><i>The results did not include any findings or questioned cost.</i></p> |
| <p>18 Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:</p> <p>a. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).</p> <p>b. Observe that supervisors approved the attendance and leave of the selected employees/officials.</p> | <p>Attendance was documented.</p> <p>Supervisor approval was documented</p> | <p><i>The results did not include any findings or questioned cost.</i></p> <p><i>The results did not include any findings or questioned cost.</i></p> |

Statewide Agreed-Upon Procedures
Schedule of Procedures, Results and Managements' Response (Continued)

| Payroll and Personnel | | |
|---|--|---|
| Agreed-Upon Procedure | Results | Managements' Response |
| <p>c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.</p> <p>d. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.</p> | <p>Leave taken was properly reflected in accounting records.</p> <p>Payrates were not documented in the personnel files.</p> | <p><i>The results did not include any findings or questioned cost.</i></p> <p>We intend to revise personnel files to document approved payrates, ethics training, acknowledgement of ethics policies, and sexual harassment training.</p> |
| <p>19 Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.</p> | <p>Payments to terminated employees were consistent with balances maintained in the accounting system.</p> | <p><i>The results did not include any findings or questioned cost.</i></p> |
| <p>20 Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.</p> | <p>Management provided the applicable representations.</p> | <p><i>The results did not include any findings or questioned cost.</i></p> |

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

| Ethics | | |
|--|---|---|
| Agreed-Upon Procedure | Results | Managements' Response |
| <p>21 Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:</p> <p>a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.</p> <p>b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.</p> | <p>No evidence of ethic training or distribution of related polices was included in the personnel files.</p> <p>No evidence of ethic training or distribution of related polices was included in the personnel files.</p> | <p>We intend to revise personnel files to document approved payrates, ethics training, acknowledgement of ethics policies, and sexual harassment training.</p> <p>We intend to revise personnel files to document approved payrates, ethics training, acknowledgement of ethics policies, and sexual harassment training.</p> |
| <p>22 Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.</p> | <p>No designee has been established.</p> | <p>We intend to address this matter in the next operating cycle.</p> |

Statewide Agreed-Upon Procedures
Schedule of Procedures, Results and Managements' Response (Continued)

| Debt Service | | |
|--|---|---|
| Agreed-Upon Procedure | Results | Managements' Response |
| <p>23 Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.</p> | <p>Since FJC is organized as a nonprofit, Bond Commission approval is not applicable.</p> | <p><i>The results did not include any findings or questioned cost.</i></p> |
| <p>25 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.</p> | <p>No debt was outstanding at year end.</p> | <p><i>The results did not include any findings or questioned cost.</i></p> |

**Statewide Agreed-Upon Procedures
Schedule of Procedures, Results and Managements' Response (Continued)**

| Fraud Notice | | |
|---|---|--|
| Agreed-Upon Procedure | Results | Managements' Response |
| <p>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.</p> | <p>All misappropriation has been reported to the Legislative Auditor and Law Enforcement.</p> | <p><i>The results did not include any findings or questioned cost.</i></p> |
| <p>26 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.</p> | <p>The notice was posted on the premises.</p> | <p><i>The results did not include any findings or questioned cost.</i></p> |

**Statewide Agreed-Upon Procedures
Schedule of Procedures, Results and Managements' Response (Continued)**

| Information Technology Disaster Recovery /Business Continuity | | |
|--|--|--|
| Agreed-Upon Procedure | Results | Managements' Response |
| <p>27 Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."</p> <p>a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.</p> <p>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.</p> <p>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.</p> | <p>We performed the procedure and discussed the results with management.</p> <p>We performed the procedure and discussed the results with management.</p> <p>We performed the procedure and discussed the results with management.</p> | <p><i>The results did not include any findings or questioned cost.</i></p> <p><i>The results did not include any findings or questioned cost.</i></p> <p><i>The results did not include any findings or questioned cost.</i></p> |
| <p>28 Randomly select 5 terminated employees (or all terminated employees if less than 5) using</p> | <p>We performed the procedure and discussed the results with management.</p> | <p><i>The results did not include any findings or questioned cost.</i></p> |

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

| Information Technology Disaster Recovery /Business Continuity | | |
|---|---------|-----------------------|
| Agreed-Upon Procedure | Results | Managements' Response |
| the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network. | | |

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

| Sexual Harassment | | |
|--|---|------------------------------|
| Agreed-Upon Procedure | Results | Managements' Response |
| 29 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. | Not Applicable: R.S. 42:344 applies only to governmental agencies and nonprofits are excluded. | Not Applicable |
| 30 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). | Not Applicable: R.S. 42:344 applies only to governmental agencies and nonprofits are excluded. | Not Applicable |
| 31 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. | Not Applicable: R.S. 42:344 applies only to governmental agencies and nonprofits are excluded. | Not Applicable |

APPENDIX B

Potential Fraud, Misappropriation, or Abuse

Potential Instances of Fraud, Misappropriations, or Abuse
December 31, 2022

| # | ELEMENT OF FINDING | RESPONSE |
|----|--|---|
| 1 | A general statement describing the fraud or misappropriation that occurred. | Various suspicious transactions, including cash withdrawals from the Family Justice Center accounts were not supported by documentation and parties responsible for the withdrawals were unable to provide a valid business purpose for the transactions. |
| 2 | A description of the funds or assets that were the subject of the fraud or misappropriation. | Cash withdrawals from bank accounts. |
| 3 | The amount of funds or approximate value of assets involved. | \$4,000 |
| 4 | The department or office in which the fraud or misappropriation occurred. | Main office located on Hospital Drive in Pineville, Louisiana. |
| 5 | The period of time over which the fraud or misappropriation occurred. | Calander year 2022 |
| 6 | The title/agency affiliation of the person who committed or is believed to have committed the act of fraud or misappropriation. | Former Executive Director |
| 7 | The name of the person who committed or is believed to have committed the act of fraud or misappropriation, if formal charges have been brought against the person and/or the matter has been adjudicated. | Carly Long |
| 8 | Is the person who committed or is believed to have committed the act of fraud still employed by the agency? | No. |
| 9 | If the person who committed or is believed to have committed the act of fraud is still employed by the agency, do they have access to assets that may be subject to fraud or misappropriation? | Not Applicable |
| 10 | Has the agency notified the appropriate law enforcement body about the fraud or misappropriation? | Yes |
| 11 | What is the status of the investigation at the date of the auditor's/accountant's report? | An arrest was made by the Pineville Police Department on September 8, 2023 |
| 12 | If the investigation is complete and the person believed to have committed the act of fraud or misappropriation has been identified, has the agency filed charges against that person? | Yes |
| 13 | What is the status of any related adjudication at the date of the auditor's/accountant's report? | An arrest was made by the Pineville Police Department on September 8, 2023 |
| 14 | Has restitution been made or has an insurance claim been filed? | Partial restitution has been received, and the remainder is pending. |
| 15 | Has the agency notified the Louisiana Legislative Auditor and the District Attorney in writing, as required by Louisiana Revised Statute 24:523 (Applicable to local governments only) | Yes |

**Potential Instances of Fraud, Misappropriations, or Abuse
December 31, 2022**

| # | ELEMENT OF FINDING | RESPONSE |
|----|--|--|
| 16 | Did the agency's internal controls allow the detection of the fraud or misappropriation in a timely manner? | No |
| 17 | If the answer to the last question is "no," describe the control deficiency/significant deficiency/material weakness that allowed the fraud or misappropriation to occur and not be detected in a timely manner. | Controls established to regulate purchasing were circumvented by using debit cards and cash withdrawals to complete purchases. |
| 18 | Management's plan to ensure that the fraud or misappropriation does not occur in the future | Eliminate debit cards and revised controls to provide more detailed monitoring of spending. |