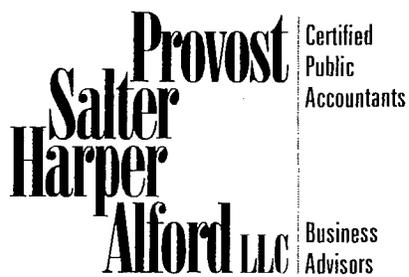


**BATON ROUGE CHILDREN'S
ADVOCACY CENTER**

FINANCIAL REPORT

December 31, 2022



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BATON ROUGE CHILDREN'S ADVOCACY CENTER

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December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Baton Rouge Children's Advocacy Center (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 statement.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Baton Rouge Children's Advocacy Center 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 Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Baton Rouge Children's Advocacy Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

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 agency head on Schedule I 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 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 June 6, 2023 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, 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 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.

Provost, Salter, Harper, & Alford LLC



Baton Rouge, Louisiana

June 6, 2023

Baton Rouge Children's Advocacy Center**Statement of Financial Position****December 31, 2022**

ASSETS

Current Assets

Cash and cash equivalents	\$ 713,664
Receivables, net of allowance for uncollectable accounts	102,380
Prepaid expenses and other	<u>8,675</u>
Total current assets	<u>824,719</u>

Property and Equipment

Building and improvements	820,407
Equipment and furniture	147,503
Construction in progress	203,989
Land	<u>140,000</u>
	1,311,899
Less: Accumulated depreciation	<u>(354,502)</u>
Net property and equipment	<u>957,397</u>
Total Assets	<u><u>\$ 1,782,116</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 90,683
Other current liabilities	<u>32,843</u>
Total Liabilities	<u>123,526</u>

Net Assets

Without donor restrictions	1,573,637
With donor restrictions	<u>84,953</u>
Total net assets	<u>1,658,590</u>
Total Liabilities and Net Assets	<u><u>\$ 1,782,116</u></u>

Baton Rouge Children's Advocacy Center**Statement of Activities and Changes in Net Assets****Year Ended December 31, 2022**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	\$ 338,239	\$ 508,048	\$ 846,287
Earned revenue	53,607	-	53,607
Fundraising events, net of expense	240,197	-	240,197
Government assistance and grants	360,351	-	360,351
Investment income	2,900	-	2,900
Other revenue	29,045	-	29,045
Net assets released from purpose and time restrictions	490,929	(490,929)	-
Total Support and Revenue	1,515,268	17,119	1,532,387
Expenses			
Program	1,134,486	-	1,134,486
Management and general	88,103	-	88,103
Fundraising	172,129	-	172,129
Total Expenses	1,394,718	-	1,394,718
Change in Net Assets	120,550	17,119	137,669
Net Assets			
Beginning of year	1,453,087	67,834	1,520,921
End of year	\$ 1,573,637	\$ 84,953	\$ 1,658,590

Baton Rouge Children's Advocacy Center

Statement of Functional Expenses

Year Ended December 31, 2022

	Program Services	General and Administrative	Fundraising	Total
Computer expense	\$ 39,507	\$ 3,869	\$ 4,395	\$ 47,771
Contract therapist	64,815	-	-	64,815
In-kind program expense (interns)	210,610	-	-	210,610
Depreciation	42,366	4,150	4,713	51,229
Dues and memberships	2,983	292	332	3,607
Furnishings	6,853	671	762	8,286
Insurance	25,609	2,508	2,849	30,966
Janitorial	5,678	556	632	6,866
Legal and professional	31,003	3,037	3,449	37,489
Marketing	-	-	76,562	76,562
Miscellaneous	12,819	1,255	1,426	15,500
Occupancy expense	16,523	1,618	1,838	19,979
Office expense	4,447	436	495	5,378
Payroll and benefits	622,925	61,012	69,298	753,235
Postage and delivery	409	40	45	494
Printing	2,309	226	257	2,792
Repairs and maintenance	17,687	1,732	1,968	21,387
Security	1,225	120	136	1,481
Supplies	17,393	1,704	1,935	21,032
Travel and training	9,325	913	1,037	11,275
Volunteer recognition	-	3,964	-	3,964
	<u>\$ 1,134,486</u>	<u>\$ 88,103</u>	<u>\$ 172,129</u>	<u>\$ 1,394,718</u>

Baton Rouge Children's Advocacy Center

Statement of Cash Flows

Year Ended December 31, 2022

Cash Flows From Operating Activities

Change in net assets	\$ 137,669
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	
Depreciation	51,229
(Increase) decrease in:	
Accounts receivable	184,128
Prepaid expense and other	(93)
Increase (decrease) in:	
Accounts payable	73,240
Accrued expense	(31,340)
	<hr/>
Net Cash Provided By (Used In) Operating Activities	414,833

Cash Flows From Investing Activities

Purchase of property and equipment	<hr/> (217,270)
Net Cash Provided By (Used In) Investing Activities	<hr/> (217,270)

Net Increase (Decrease) In Cash And Cash Equivalents 197,563

Cash And Cash Equivalents

Beginning	<hr/> 516,101
Ending	<hr/> <u>\$ 713,664</u>

BATON ROUGE CHILDREN'S ADVOCACY CENTER

Notes to the Financial Statements

December 31, 2022

1. Nature of Organization and 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.

A summary of the Organization's significant accounting policies follows:

Basis of Accounting. The Organization maintains its records and reports its income using the accrual method of accounting and prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. The significant accounting policies are described below to enhance the usefulness of the financial statements.

Basis of Presentation. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

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

BATON ROUGE CHILDREN'S ADVOCACY CENTER

Notes to the Financial Statements, continued

December 31, 2022

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. 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.

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.

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 Uncollectible Accounts. As of December 31, 2022, the total allowance for uncollectible accounts 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, 2022 totaled \$12,440.

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 \$249,987. Management considers this risk acceptable.

BATON ROUGE CHILDREN'S ADVOCACY CENTER

Notes to the Financial Statements, continued

December 31, 2022

Concentration of Business Risk. For the year ended December 31, 2022, 55% of the Organization's annual revenues has come from contributions. Of total revenue, one contributor provided 23% of total support and revenue in 2022. 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:

	Years
Buildings and improvements	5-30
Furniture and equipment	3-7

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

Advertising. Baton Rouge Children's Advocacy Center expenses advertising costs as incurred. Total advertising and promotion expense for the year ended December 31, 2022 was \$34,978.

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, 2022, the Organization entered into cooperative endeavor agreements with three local governmental entities. The agreements provide for two of the governmental entities to contribute \$25,000 each year for the three-year period ending in 2022, and one to contribute \$24,250 each year for the three-year period ending in 2022. In 2023, the cooperative endeavor agreements were renewed for a five-

BATON ROUGE CHILDREN'S ADVOCACY CENTER

Notes to the Financial Statements, continued

December 31, 2022

year period ending in 2027 for \$50,000 each year, a three-year period ending in 2025 for \$50,000 each year, and a one-year renewal for \$24,250, respectively.

Additionally, the Organization entered into cooperative endeavor agreements with two other local governmental agencies, which provide for each of the governmental entities to contribute \$2,500 to the Organization annually. In 2023, these cooperative endeavor agreements were renewed for a two-year and one-year term, respectively.

New Accounting Pronouncements. During the year ended December 31, 2022, The Organization adopted Financial Accounting Standards Board (FASB) ASU No 2020-07, *Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for-Profit Entities Contributed Nonfinancial Assets*. The ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting non-profit gifts-in-kind. The Organization's adoption of ASU No. 2020-07 did not result in any adjustments to their financial statement presentation.

During the year ended December 31, 2022, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)* and all subsequent amendments. The objective of this ASU is to increase transparency and comparability in financial reporting by requiring balance sheet recognition of leases and note disclosure of certain information about lease arrangements. The adoption of this standard did not have a material impact on the Organization's financial statements and related note disclosures as of the implementation date and as of December 31, 2022.

Subsequent Events. In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 6, 2023, the date the financial statements were available to be issued.

BATON ROUGE CHILDREN'S ADVOCACY CENTER

Notes to the Financial Statements, continued

December 31, 2022

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, 2022:

Prevention Education	\$ 15,777
Human trafficking coordinator	25,232
CAC program	209,887
Prevention Education and Hospital Advocacy	72,118
Behavioral Health and Wellness	52,000
Administrative Management	52,940
Therapy program	38,245
CAC needs	24,730
	<hr/>
	\$ 490,929

Net assets with donor restrictions are restricted for the following purposes at December 31, 2022:

Prevention Education	\$ 8,757
Children Advocacy Center Program	14,136
Administrative Management	47,060
Building Improvements	15,000
	<hr/>
	\$ 84,953

BATON ROUGE CHILDREN'S ADVOCACY CENTER

Notes to the Financial Statements, continued

December 31, 2022

3. Changes in Fixed Assets

	Beginning of Year	Additions	Reductions	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	140,000	-	-	343,989
Capital assets being depreciated				
Building & improvements	820,407	-	-	820,407
Furniture & fixtures	8,373	-	-	8,373
Computer & other equipment	125,849	13,281	-	139,130
Total capital assets being depreciated	954,629	13,281	-	967,910
Less accumulated depreciated				
Building & improvements	208,489	31,554	-	240,043
Furniture & fixtures	7,628	255	-	7,883
Computer & other equipment	87,156	19,420	-	106,576
Total accumulated depreciation	303,273	51,229	-	354,502
Total capital assets being depreciated, net	651,356	(37,948)	-	613,408
Total governmental activities capital assets, net	\$ 791,356	\$ (37,948)	\$ -	\$ 957,397

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, 2022 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.

BATON ROUGE CHILDREN'S ADVOCACY CENTER

Notes to the Financial Statements, continued

December 31, 2022

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	\$ 713,664
Accounts receivable, net	102,380
	<hr/>
	816,044
Less those unavailable for general expenditures within one year, due to:	
Donor-imposed restrictions:	
Prevention Education	(8,757)
Children Advocacy Center Program	(14,136)
Administrative Management	(47,060)
Building Improvements	(15,000)
	<hr/>
	\$ 731,091

6. In-Kind Contributions

For the year ended December 31, 2022, in-kind contributions recognized within the statement of activities included the following:

		Utilization in Programs/Activities
Public service announcements	\$ 169,125	All programs and supporting services
Volunteer and intern services	41,485	All programs and supporting services
	<hr/>	
	\$ 210,610	

Baton Rouge Children's Advocacy Center

*Schedule of Compensation, Benefits, and Other
Payments to Agency Head*

Year Ended December 31, 2022

Agency Head Name: Sharon Pol **Jan-Sep 2022**

Purpose

Salary	\$ 29,533
Reimbursement	345
	<u>\$ 29,878</u>

Agency Head Name: Tanya Haase **Oct-Dec 2022**

Purpose

Salary	\$ 19,846
Benefits - insurance	1,716
IRA	595
	<u>\$ 22,157</u>

**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
Baton Rouge Children's Advocacy Center
Baton Rouge, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Baton Rouge Children's Advocacy Center (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 and have issued our report thereon dated June 6, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 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 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 have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses, as item 2022-001, that we consider to be material weaknesses.

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

Baton Rouge Children's Advocacy Center's response to the findings identified in our engagement is described in the accompanying schedule of findings and responses. Baton Rouge Children's Advocacy Center's response was not subjected to the auditing procedures applied in the engagement to audit the financial statements and, accordingly, we express no opinion on it.

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 result 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.

Provost, Salter, Harper, & Alford LLC



Baton Rouge, Louisiana
June 6, 2023

BATON ROUGE CHILDREN'S ADVOCACY CENTER

Schedule of Findings and Responses

December 31, 2022

Section I - Internal Control Findings

Finding 2022-001

Material Weakness in Internal Control over Financial Reporting-Inadequate 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.

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

Potential 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 Center as it may not be cost effective; however, management should monitor the assignment of duties to ensure as much segregation of duties as possible and when possible, utilize mitigating controls to compensate for the lack of segregation of duties.

View of Responsible Official: We believe we have implemented procedures to mitigate our lack of segregation of duties based on the size of our organization but will continue to review and improve our segregation of duties as our staffing changes.

BATON ROUGE CHILDREN'S ADVOCACY CENTER

Schedule of Prior Year Findings

December 31, 2022

Ref No.	Fiscal Year Finding Initially Occurred	Description of Finding	Status of the Finding	Current Year Finding RefNo.
2021-001	2020	Financial statements are required to be prepared in accordance with generally accepted accounting principles	Resolved	N/A
2021-002	2020	Inadequate segregation of duties	Unresolved	2022-001
2021-003	2021	Accounting for accounts payable	Resolved	N/A
2021-004	2021	Accounting for accounts receivable	Resolved	N/A

**INDEPENDENT
ACCOUNTANT'S REPORT
ON THE APPLICATION
OF AGREED-UPON PROCEDURES**

Baton Rouge Children's Advocacy Center

December 31, 2022



8550 United Plaza Boulevard, Suite 600, Baton Rouge, Louisiana 70809, Phone: (225) 924-1772 / Facsimile: (225) 927-9075

BATON ROUGE CHILDREN'S ADVOCACY CENTER

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board and the Louisiana Legislative Auditors:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. 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 fiscal period January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed, and the associated findings are summarized in Schedule A, which is an integral part of this report.

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.

PROVOST, SALTER, HARPER & ALFORD, LLC

A handwritten signature in blue ink that reads "Provost, Salter, Harper & Alford, LLC". The signature is written in a cursive style with a large initial 'P' and a long horizontal stroke at the end.

Baton Rouge, LA
June 8, 2023

1) Written Policies and Procedures

- A. Obtain and inspect the entity’s written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity’s operations:
- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - 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 rates 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) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - h) **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).

- 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.
- 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.

Findings:

No exceptions noted.

2) Board or Finance Committee

- A. 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
 - i. 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.

Findings:***No exceptions noted.***

- ii. 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.

Findings:***No exceptions noted.***

- iii. 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.

Findings:***The organization is not a governmental entity. Therefore, this procedure was not applicable to the entity.***

- iv. 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.

Findings:***There were no written updates of the progress of resolving audit findings.***

3) Bank Reconciliations

- A. 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:

We obtained a listing of 3 bank accounts and selected 3 for testing.

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

Findings:

No exceptions noted.

- ii. 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 (e.g., initialed and dated, electronically logged); and

Findings:

No exceptions noted.

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

Findings:

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

Cash is only collected at the office in Baton Rouge.

- B. 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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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

- i. Employees responsible for cash collections do not share cash drawers/registers;

Findings:

No exceptions noted.

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

Findings:

No exceptions noted.

- iii. Each employee responsible for collecting cash is not also 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; and

Findings:

No exceptions noted.

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also

responsible for collecting cash, unless another employee/official verifies the reconciliation.

Findings:

No exceptions noted.

- C. 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 in force during the fiscal period.

Findings:

No exceptions noted.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.

Findings:

No exceptions noted.

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

Findings:

One transaction was missing a deposit slip.

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

Findings:

One transaction was missing a deposit slip.

- iv. 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 and the cash is stored securely in a locked safe or drawer).

Findings:

No exceptions noted.

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

Findings:

No exceptions noted.

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

- A. 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).

Payments are only processed at the office in Baton Rouge.

- B. For each location selected under procedure #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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

Findings:

No exceptions noted.

- ii. At least two employees are involved in processing and approving payments to vendors;

Findings:

No exceptions noted.

- iii. 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;

Findings:

No exceptions noted.

- iv. 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; and

Findings:

No exceptions noted.

- v. 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.

Findings:

No exceptions noted.

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

- C. For each location selected under procedure #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 5 disbursements for each location, obtain supporting documentation for each transaction, and
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

Findings:

No exceptions noted.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

Findings:

No exceptions noted.

- D. 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, 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.

Findings:

One electronic disbursement did not include evidence it was approved by only those persons authorized to disburse the funds per the entity's policy and approved by the required number of authorized signers per the entity's policy.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. 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.

We obtained a listing of active credit cards for the fiscal period, including the card numbers and the names of the persons who maintained possession.

B. 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

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

Findings:

No exceptions noted.

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

Findings:

No exceptions noted.

C. Using the monthly statements or combined statements selected under procedure #7B 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 (e.g., each card should have 10 transactions subject to inspection). 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 observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Findings:

No documentation was provided for one transaction.

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

A. 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 and 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

i. 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);

Findings:

No exceptions noted.

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

Findings:

No exceptions noted.

iii. 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 Policies and Procedures procedure #1A(vii); and

Findings:

No exceptions noted.

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

Findings:

No exceptions noted.

8) Contracts

A. 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 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and

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

Findings:

No exceptions noted.

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

Findings:

One contract had no documentation showing it was approved by the board.

iii. 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, the documented approval); and

Findings:

No exceptions noted.

iv. 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.

Findings:

No exceptions noted.

9) Payroll and Personnel

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

Findings:

No exceptions noted.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

Findings:

No exceptions noted.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

Findings:

No exceptions noted.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity’s cumulative leave records; and

Findings:

No exceptions noted.

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

Findings:

No exceptions noted.

- C. 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 on 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 official's personnel files, and agree the termination payment to entity policy.

Findings:

The entity did not make any termination payments during the fiscal period. Therefore, this procedure was not applicable to the entity.

- D. 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.

Findings:

Per management, all employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by required deadlines.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

Findings:

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

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

Findings:

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

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

Findings:

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

11) Debt Service

- A. 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.

Findings:

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

- B. 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).

Findings:

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

12) Fraud Notice

- A. 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 as required by R.S. 24:523.

Findings:

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

- B. 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.

Findings:

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

13) Information Technology Disaster Recovery/Business Continuity

- A. **We performed the procedure and discussed the results with management.**
- i. 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.

Findings:

No exceptions noted.

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

Findings:

No exceptions noted.

- iii. 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.

Findings:

No exceptions noted.

- B. 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.

Findings:

There were no terminated employees during the fiscal period. Therefore, this procedure is not applicable.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, 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 as required by R.S. 42:343.

Findings:

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

- B. 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).

Findings:

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

- C. 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 the report includes the applicable requirements of R.S. 42:344:

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

- i. Number and percentage of public servants in the agency who have completed the training requirements;

Findings:

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

- ii. Number of sexual harassment complaints received by the agency;

Findings:

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

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

Findings:

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

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

Findings:

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

- v. Amount of time it took to resolve each complaint.

Findings:

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



BRCAC AUP Exceptions noted:

- **BOD**

- Procedure 2AIV:

- Minutes included no reference to 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.

Management Response: While it was not discussed in the minutes of the Board meeting, it was handled with the finance committee and 3 of the 4 findings were listed as resolved in this year's audit. The Finance Committee will keep minutes going forward to put into the record for board meetings.

- **Bank Recs**

- Procedure 3AIII:

- The following account did not have documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.
 - Capital One - #0909 October 2022

Management Response: The Finance Committee will begin to review this once a quarter when doing the bank reconciliations, which are done monthly.

- **Collections**

- Procedure 4DII and 4DIII:

- The following transaction had no deposit slip:
 - Neighbors FCU - #1001 5/17/2022 \$100,000
 -

Management Response: We did not have the deposit slip; we did have proof that the deposit was done and it was a transfer of money that at the time was not able to be done electronically.

The BRCAC is also in the process of changing banks and one of the services will be a scanner to deposit checks without going to the bank.



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- **Disbursements:**

- Procedure 5D:

- For the following charge, documentation wasn't provided showing charge was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy.

- ACH10112022 10/11/2022 Papa John's 69.18

Management response: This was for staff lunch meeting, in which the new Executive Director was informing the staff of her new position. So, the Executive Director was aware and approved of this expense. But the documentation should have been kept. .

- **Credit Cards:**

- Procedure 6C:

- For the following charge, you didn't provide an (a) original itemized receipt that identifies precisely what was purchased, (b) written documentation of the business/public purpose, (c) documentation of the individuals participating in meals (for meal charges only).

- Neighbors FCU #3851 Sidney 4/6/2022 54.96

Management response: This was for a tent purchased at Sports Academy and it is used for our outdoor outreach events.

- **For Contracts:**

- Procedure 8All

- No BOD approval for the following contract:

- L'Auberge Casino & Hotel - Baton Rouge 8/2/2022 \$20,664.06

Management response: While this did not have a formal approval, it is the same contract that has been in place for our Celebrity Waiter event for years with the L'Auberge Casino and Hotel. The board members were involved in the discussions and planning of the event. But we are now making sure to have a printed approval from the board attached to invoices before they are paid.

Janya R. House 6/15/23