

**BEACON COMMUNITY
CONNECTIONS, INC.**

Lafayette, Louisiana

Financial Report

Year Ended December 31, 2023

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KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Beacon Community Connections, Inc.
Lafayette, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Beacon Community Connections, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Beacon Community Connections, Inc. as of December 31, 2023, and the change 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 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 Beacon Community Connections, Inc. 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 Beacon Community Connection, Inc.'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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- 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 Beacon Community Connections, Inc.'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Beacon Community Connections, Inc.'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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated on April 24, 2024, on our consideration of Beacon Community Connections, Inc.'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 the internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Beacon Community Connections, Inc.'s internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* and considering Beacon Community Connection, Inc.'s internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
April 24, 2024

FINANCIAL STATEMENTS

BEACON COMMUNITY CONNECTIONS, INC.
Lafayette, Louisiana

Statement of Financial Position
December 31, 2023

ASSETS

Current assets:	
Cash and cash equivalents	\$ 68,012
Receivables	92,519
Other assets	<u>2,986</u>
Total current assets	<u>163,517</u>
Non-current assets:	
Furniture, fixtures, and equipment, net	27,938
Right-of-use asset, net	<u>18,168</u>
Total non-current assets	<u>46,106</u>
Total assets	<u>\$ 209,623</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Current portion of lease liability	\$ 7,955
Long-term liabilities:	
Long-term portion of lease liability	<u>10,510</u>
Total liabilities	18,465
Net assets:	
Without donor restrictions	<u>191,158</u>
Total liabilities and net assets	<u>\$ 209,623</u>

The accompanying notes are an integral part of this statement.

BEACON COMMUNITY CONNECTIONS, INC.
Lafayette, Louisiana

Statement of Activities
For The Year Ended December 31, 2023

Changes in Net Assets Without Donor Restrictions:

Revenues, Gains, and Other Support

Public support

Fundraising \$ 27,999

Donations 33,269

Total Public support 61,268

Fees and Grants from Governmental Agencies 681,709

Fees and Grants from Non-Governmental Agencies 518,269

Investment Income 290

Miscellaneous Income 8,221

Total Revenues, Gains and Public Support 1,269,757

Expenses:

Program Services 667,032

Supporting Services:

Administrative and general 521,587

Fundraising 14,595

Total Expenses 1,203,214

Change in net assets without donor restrictions 66,543

Net assets, beginning of year 124,615

Net assets, end of year \$ 191,158

The accompanying notes are an integral part of this statement.

BEACON COMMUNITY CONNECTIONS, INC.
Lafayette, Louisiana

Statement of Functional Expenses
For the Year Ended December 31, 2023

	<u>Program Services</u>	<u>Support Services</u>		
	Non-clinical case management to individuals and families with social support needs	Fund- Raising	Administrative and General	Total Expenses
Compensation and Related Expenses				
Salaries	\$ 508,759	\$ -	\$ 340,487	\$ 849,246
Employee Benefits:				
Payroll Taxes	39,981	-	20,596	60,577
Medical Insurance	15,628	-	8,051	23,679
Retirement Expense	<u>7,041</u>	<u>-</u>	<u>3,627</u>	<u>10,668</u>
	571,409	-	372,761	944,170
Advertising	23,753	4,576	14,593	42,922
Depreciation/Amortization	-	-	11,026	11,026
Fund Raising/Special Events	1,276	9,936	5,776	16,988
Insurance	-	-	8,204	8,204
Interest	-	-	659	659
Legal and Professional	18,252	-	9,403	27,655
Miscellaneous	26,120	83	13,498	39,701
Office expense	1,223	-	-	1,223
Rent	-	-	23,936	23,936
Software and technology	-	-	23,579	23,579
Supplies	24,999	-	13,509	38,508
Travel	-	-	7,877	7,877
Utilities	<u>-</u>	<u>-</u>	<u>16,766</u>	<u>16,766</u>
Totals	<u>\$ 667,032</u>	<u>\$14,595</u>	<u>\$ 521,587</u>	<u>\$ 1,203,214</u>

The accompanying notes are an integral part of this statement.

BEACON COMMUNITY CONNECTIONS, INC.
Lafayette, Louisiana

Statement of Cash Flows
For the Year Ended December 31, 2023

Cash flows from operating activities:	
Change in net assets	<u>\$ 66,543</u>
Adjustments to reconcile increase in net assets to net cash flow from operating activities:	
Depreciation	4,970
Right-of-use asset amortization	6,056
Decrease (increase) in operating assets:	
Accounts receivable	(56,676)
Other receivables	18,765
Other assets	(2,986)
Increase (decrease) in operating liabilities:	
Payroll liabilities	(10,491)
Operating lease - right-of-use asset	<u>(5,759)</u>
Total adjustments	<u>(46,121)</u>
Net cash provided by operating activities	20,422
Cash flows from investing activities:	
Purchase of property and equipment	<u>(19,479)</u>
Net change in cash and cash equivalents	943
Cash and cash equivalents, beginning of year	<u>67,069</u>
Cash and cash equivalents, end of year	<u>\$ 68,012</u>
Supplementary cash flow information:	
Interest paid	<u>\$ 659</u>
Cash paid for amounts included in measuring operating lease liabilities	
Operating cash flows from operating leases	<u>\$ 6,418</u>
Lease assets obtained in exchange for lease obligations	
Operating leases	<u>\$ 24,224</u>

The accompanying notes are an integral part of this statement.

Beacon Community Connections, Inc.
Lafayette, Louisiana

Notes to the Financial Statements

(1) Summary of Significant Accounting Policies

(A) Nature of Operations

Beacon Community Connections, Inc. (the Organization) is a nonprofit corporation organized under the laws of Louisiana in 2018. The corporation was formed for the purpose of empowering anyone in need through connections, collaboration and advocacy for individual wellness and community quality of life. The Organization’s mission is “to collaborate with social service organizations, criminal justice agencies, healthcare providers and other organizations to improve community health and well-being. The Organization provides education and resources to public and professionals.” The Organization serves the public in Lafayette and surrounding communities. A Board of Directors manages the operations of the Organization, and those Directors receive no compensation for their services. The Organization is primarily funded through grants from various organizations and agencies as well as contributions from private foundations, corporations, and individuals.

(B) Income Tax Status

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509 (a) of the Code.

(C) Financial Statement Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and board of directors.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that will be met, either (1) by incurring expenses satisfying the restricted purpose (purpose restricted), and/or passage of time or other events (time restricted), or (2) will never expire (perpetual in nature). When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

(D) Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. There were no cash equivalents at December 31, 2023.

Beacon Community Connections, Inc.
Lafayette, Louisiana

Notes to the Financial Statements

(E) Receivables

Receivables are stated at unpaid balances. An allowance for credit losses on receivables is recorded at the balance sheet date. The allowance for credit losses is an estimate based on historical credit loss rate. An allowance for credit losses was immaterial and was not recorded for the year ended December 31, 2023.

(F) Furniture, Fixtures and Equipment

Furniture, fixtures, and equipment are valued at historical cost for assets purchased and at fair market value at the date of donation for contributed assets. Donations of furniture, fixtures and equipment are recorded as support at their estimated fair market value and are reported as unrestricted unless the donor has restricted the donated assets for a specific purpose. Depreciable assets are depreciated using the straight-line method over the estimated useful lives of the individual assets. The Organization maintains a threshold level of \$500 or more for capitalizing assets.

(G) Compensated Absences

Employees of the Organization are entitled to paid vacation, paid sick days, and personal days off, depending on job classification, length of service, and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the costs of compensated absences when actually paid to employees.

(H) Revenue and Expense Recognition

Contributions are recognized when the donor makes a commitment to give and are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Restrictions on gifts of fixed assets or cash for the purchase of fixed assets expire when the asset is placed in service. Expenses are recognized in the period incurred in accordance with the accrual basis of accounting.

(I) Federal Financial Awards

Revenues for direct and indirect federal grants and contracts are recorded based on expenses incurred for contracts that are on a cost reimbursement basis and based on the units of service for those contracts which are on a fee for service basis. In the statement of activities, these revenues are referred to as grants and other unrestricted revenues and support. Related contract receivable is referred to as accounts receivable in the statement of financial position.

Beacon Community Connections, Inc.
Lafayette, Louisiana

Notes to the Financial Statements

(J) Donated Services and Materials

The Organization recognizes donated services that (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Organization had no donated goods and supplies or professional services during the year.

(K) Functional Allocation of Expenses

Expenses are summarized and categorized based on their function classification as either program or supporting services. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation based on time used for those functions.

(L) Advertising Costs

The Organization uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising expense was \$42,922 for the year ended December 31, 2023.

(M) 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 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.

(2) Furniture, Fixtures and Equipment

The following is a summary of furniture, fixtures and equipment and the corresponding accumulated depreciation for the year ended December 31, 2023:

Furniture fixtures, and equipment	\$ 35,311
Less: Accumulated Depreciation	<u>(7,373)</u>
Furniture, fixtures and equipment, net	<u>\$ 27,938</u>

Depreciation is computed using the straight-line method over the estimated useful lives of the individual assets. Furniture, fixtures, and equipment are depreciated over three to fifteen years. Depreciation expense was \$4,970 for the year ended December 31, 2023.

Beacon Community Connections, Inc.
Lafayette, Louisiana

Notes to the Financial Statements

(3) Leases

The Organization entered into a 3-year lease agreement for the rental of office space. At the termination of the lease, the Organization has one option to extend the term of the lease for an additional 3 years.

The Organization recognizes a lease liability and a right-of-use asset (lease asset) in the financial statements. The Leased activity for the year follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Building Lease	\$ -	\$ 24,224	\$ -	\$ 24,224
Less: Accumulated Amortization	-	(6,056)	-	(6,056)
Building Lease, Net	\$ -	\$ 18,168	\$ -	\$ 18,168

The following is a summary of changes in the lease liability for the year:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lease Liability	\$ -	\$ 24,224	\$ (5,759)	\$ 18,465	\$ 7,955

At the commencement of the lease, the Organization initially measured the lease liability at the present value of payments expected to be made during the lease terms. For purposes of discounting future payments on the lease, the Organization used the interest rate of 4.05%. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease assets is amortized on a straight-line basis over the shorter of its useful life or the lease terms.

Beacon Community Connections, Inc.
Lafayette, Louisiana

Notes to the Financial Statements

Payments of \$6,418 during 2023 were recognized as rent expense. Future minimum lease payments are as follows:

Years Ended December 31,	Principal Payments	Interest Payments	Total
2024	7,955	601	8,556
2025	8,283	273	8,556
2026	2,227	16	2,243
	\$ 18,465	\$ 890	\$ 19,355

(4) Financial Instruments

Financial instruments which potentially subject the Organization to concentrations of credit risk include temporary cash investments. The Organization maintains its cash funds in a financial institution. Accounts at this institution are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2023, the Organization did not exceed the insured limits.

(5) Liquidity and Availability of Resources

The Organization's financial assets available within one year of the balance sheet date for general expenditures are as follows:

Cash and Cash Equivalents	\$ 68,012
Receivables	92,519
Total current assets	\$ 160,531

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

(6) Concentration

The Organization received approximately forty-four (44%) of its total fees and grants revenue from two agencies. The Organization does not expect that the support from these agencies will be lost in the near-term; however, a change in this funding could substantially affect the operations of the Organization.

(7) Line of Credit

In December 2023, the Organization obtained a \$35,000 unsecured line of credit with a local bank. Amounts borrowed under this agreement bear interest at the rate of Prime +7.00%. At December 31, 2023, \$0 was outstanding.

Beacon Community Connections, Inc.
Lafayette, Louisiana

Notes to the Financial Statements

(8) Retirement Plan

The Organization has a SIMPLE IRA plan covering all employees. Under the plan, the Organization matches the employee's contribution up to three (3%) percent of each eligible employee's salary. Plan expenses incurred by the Organization was \$10,668 for the year ended December 31, 2023.

(9) Compensation, Benefits, and Other Payments to Executive Director

A detail of compensation, benefits, and other payments paid to Holly Howat, Executive Director, is as follows:

<u>Purpose</u>	
Salary	\$ 78,399
Health Insurance	1,294
Payroll taxes	5,654
Retirement	<u>2,227</u>
Total	<u>\$ 87,574</u>

(10) Income Taxes

The Organization is a nonprofit organization exempt from federal and state income taxes. Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the organization and recognize a tax liability (or asset) if the organization has undertaken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the organization, and has concluded that as of December 31, 2023, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The organization is subject to routine audit by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

(11) Subsequent Events

The Organization has evaluated subsequent events through April 24, 2024, the date which the financial statements were available to be issued.

**INTERNAL CONTROL,
COMPLIANCE,
AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

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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 of
Beacon Community
Connections, Inc. and the
Louisiana Legislative Auditor

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 Beacon Community Connections, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statement, and have issued our report thereon dated April 24, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Beacon Community Connections, Inc.'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 Beacon Community Connections, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Beacon Community Connections, Inc.'s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of current year audit findings and management's corrective action plan as item 2023-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization’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*.

Beacon Community Connections, Inc.’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Beacon Community Connections, Inc.’s response to the findings identified in our audit and described in the accompanying schedule of current year audit findings and management’s corrective action plan. Beacon Community Connections, Inc.’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 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. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
April 24, 2024

BEACON COMMUNITY CONNECTIONS, INC.
Lafayette, Louisiana

Schedule of Current Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2023

Part I. Current Year Findings and Management's Corrective Action Plan

A. Internal Control Over Financial Reporting

2023-001 Inadequate Segregation of Accounting Functions

CONDITION: The Organization did not have adequate segregation of functions within the accounting system.

CRITERIA: Committee of Sponsoring Organizations (COSO) *Internal Control Integrated Framework* and the Louisiana Legislative Auditor's *Government Auditing Guide*.

CAUSE: The Organization does not have sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Management acknowledges that one of the basic elements of internal accounting control involves segregation of duties in such a manner in which the work of one employee is checked by others. Due to Beacon's limited number of personnel and financial resources, the segregation of duties, while desirable, is not always possible. Management will continue working to implement new checks and balances to segregate accounting functions as much as possible.

B. Compliance

None to report.

Beacon Community Connections, Inc
Lafayette, Louisiana

Statewide Agreed-Upon Procedures

Fiscal period January 1, 2023 through December 31, 2023

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
Beacon Community Connections, Inc,
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2023 through December 31, 2023. The Capital Area CASA Association's (the Organization) management is responsible for those C/C areas identified in the SAUPs.

The Organization 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, 2023 through December 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - 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, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employees(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **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, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- 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) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - 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, 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 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.*
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - 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
 - 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.

Collections (excluding EFTs)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies and procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 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).
- e) Trace the actual deposit per the bank statement to the general ledger.

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

- 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).
- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.]
- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
- 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 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.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

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.
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:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under #13 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

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:
 - a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

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:

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

Payroll and Personnel

17. 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.
18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
20. 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.

Ethics

21. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.
 - b) Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

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

Debt Service

23. 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 bond/note issued.
24. 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).

Fraud Notice

25. 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.
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.

Information Technology Disaster Recovery/Business Continuity

27. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
 - a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if 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.
 - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

29. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
- Hired before June 9, 2020 – completed the training; and
 - Hired on or after June 9, 2020 – completed the training within 30 days of initial service or employment.

Sexual Harassment

30. Using the 5 randomly selected employees/officials from procedure #17 under 'Payroll and Personnel' above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
31. 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).
32. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:
- a. Number and percentage of public servants in the agency who have completed the training requirements;
 - b. Number of sexual harassment complaints received by the agency;
 - c. Number of complaints which resulted in a finding that sexual harassment occurred;
 - 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.

Findings:

No exceptions were found as a result of procedures list above with the exception of:

Written policies and procedures:

The Organization does not have written policies and procedures pertaining to credit cards (and debit cards, fuel cards, P-cards) or prevention of sexual harassment.

Bank Reconciliations:

For the main operating account, there was no evidence of management review within 1 month of preparation.

For one bank account selected, no bank reconciliation was completed.

Collections (excluding electronic funds transfers):

The Organization does not have a bond or insurance policy for theft covering all employees who have access to cash.

No dated receipts accompany the deposits; therefore we are unable to determine the exact collection date.

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

An original itemized invoice was not provided for one disbursement.

Disbursement documentation did not include evidence of segregation of duties or supervisor authorization.

Credit Cards/Debit Cards/Fuel Cards/P-Cards:

All supporting documents were not approved in writing by someone other than the authorized card holder.

Two of the transactions selected did not include documentation of the individuals participating in meals.

Support could not be provided for two of the transactions selected.

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

Supporting documents were not reviewed and approved in writing for all transactions selected.

Payroll & Personnel:

One termination payment did not match the authorized pay rate in the employee's personnel file.

The authorized pay rate for one terminated employee could not be verified.

Ethics:

Four of the employees selected did not complete ethics training during the fiscal year.

Information Technology Disaster Recovery/Business Continuity:

We performed the procedures and discussed the results with management.

Prevention of Sexual Harassment:

Four of the employees selected did not complete sexual harassment training during the calendar year.

The Organization has not posted its sexual harassment policy and complaint procedure on its website.

The Organization has not submitted its annual sexual harassment report.

Management's Response:

Beacon Community Connections, Inc concurs with the exceptions and is working to address the deficiencies identified.

We were engaged by the Organization 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 Organization 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.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
April 24, 2024