

LOUISIANA CRISIS ASSISTANCE CENTER
FINANCIAL STATEMENTS AND AUDITOR'S REPORT
December 31, 2021

CASCIO & SCHMIDT, LLC
Certified Public Accountants

LOUISIANA CRISIS ASSISTANCE CENTER

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CASCIO & SCHMIDT, LLC

CERTIFIED PUBLIC ACCOUNTANTS

FRANCIS J. CASCIO, CPA
STEVEN A. SCHMIDT, CPA

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA CERTIFIED
PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
Louisiana Crisis Assistance Center

Report on the Financial Statements

Opinion

We have audited the financial statements of New Orleans Louisiana Crisis Assistance Center (non-profit organization), which comprise the statements of financial position as of December 31, 2021, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Louisiana Crisis Assistance Center as of December 31, 2021, 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 Louisiana Crisis Assistance Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Louisiana Crisis Assistance Center's ability to continue as a going concern for the period from May 17, 2022 through May 17, 2023.

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 judgement 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 Louisiana Crisis Assistance 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 Louisiana Crisis Assistance 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.

Report on Summarized Comparative Information

We have previously audited Louisiana Crisis Assistance Center's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 18, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent in all material respects, with the audited financial statements from which it has been derived.

Other Matters
Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic 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 statement 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.

Reporting on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2022, on our consideration of Louisiana Crisis Assistance 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Louisiana Crisis Assistance Center's internal control over financial reporting and compliance.

Cassio & Schmidt, PLLC

Metairie, Louisiana
May 17, 2022

LOUISIANA CRISIS ASSISTANCE CENTER

STATEMENT OF FINANCIAL POSITION

December 31, 2021

ASSETS

		Summarized Comparative Information December 31, 2020
Current Assets		
Cash	\$ 1,047,304	\$ 1,038,341
Investments (Notes A7 and B)	607,663	607,953
Receivables (Note A6)		
Grant (Note C)	115,833	117,954
Other	<u>82,858</u>	<u>166,142</u>
	<u>198,691</u>	<u>284,096</u>
Total current assets	1,853,658	1,930,390
Land, property, equipment-at cost (Notes A8 and D)	262,279	257,425
Other Assets		
Deposits	<u>5,850</u>	<u>5,850</u>
Total assets	<u>\$ 2,121,787</u>	<u>\$ 2,193,665</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable and accrued liabilities	\$ 56,936	\$ 61,816
Pension contribution payable	63,306	60,528
Note payable (Note G)	<u>-</u>	<u>279,962</u>
Total current liabilities	<u>120,242</u>	<u>122,344</u>
Total liabilities	120,242	402,306
Commitments	-	-
Net Assets (Note A-2)		
Without donor restrictions	1,851,798	1,737,134
With donor restrictions (Note E)	<u>149,747</u>	<u>54,225</u>
Total net assets	<u>2,001,545</u>	<u>1,791,359</u>
Total liabilities and net assets	<u>\$ 2,121,787</u>	<u>\$ 2,193,665</u>

The accompanying notes are an integral part of this statement.

LOUISIANA CRISIS ASSISTANCE CENTER

STATEMENT OF ACTIVITIES

Year Ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Summarized Comparative Information December 31, 2020</u>
Revenues				
Grants	\$ -	\$ 1,402,727	\$ 1,402,727	\$ 1,408,000
Fees (Note A4)	185,840	-	185,840	173,345
Contributions	2,716	-	2,716	1,349
Interest income	61	-	61	103
Extinguishment of debt (Note G)	279,962	-	279,962	-
Net assets released from restrictions	<u>1,307,205</u>	<u>(1,307,205)</u>	<u>-</u>	<u>-</u>
Total revenues	<u>1,775,784</u>	<u>95,522</u>	<u>1,871,306</u>	<u>1,582,797</u>
Expenses				
Salaries	1,070,912	-	1,070,912	1,131,114
Fringe benefits	285,724	-	285,724	270,142
Travel	31,573	-	31,573	31,656
Litigation expense	53,961	-	53,961	18,729
Occupancy expense	56,815	-	56,815	51,935
Office expense	105,127	-	105,127	84,079
Postage	3,332	-	3,332	2,547
Professional fees	19,476	-	19,476	20,498
Training	900	-	900	409
Vehicle expense	5,624	-	5,624	5,382
Depreciation	17,518	-	17,518	17,521
Other	<u>10,158</u>	<u>-</u>	<u>10,158</u>	<u>8,666</u>
Total expenses	<u>1,661,120</u>	<u>-</u>	<u>1,661,120</u>	<u>1,642,678</u>
Increase (decrease) in Net Assets	114,664	95,522	210,186	(59,881)
Net Assets, beginning of year	<u>1,737,134</u>	<u>54,225</u>	<u>1,791,359</u>	<u>1,851,240</u>
Net Assets, end of year	<u>\$ 1,851,798</u>	<u>\$ 149,747</u>	<u>\$ 2,001,545</u>	<u>\$ 1,791,359</u>

The accompanying notes are an integral part of this statement.

LOUISIANA CRISIS ASSISTANCE CENTER

STATEMENT OF CASH FLOWS

Year Ended December 31, 2021

		Summarized Comparative Information <u>December 31, 2020</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 210,186	\$ (59,881)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	17,518	17,521
Extinguishment of debt	(279,962)	-
Change in assets and liabilities:		
(Increase) decrease in grants receivable	2,121	-
(Increase) decrease in other receivables	83,284	7,479
Increase (decrease) in accounts payable and accrued liabilities	(4,880)	(21,474)
Increase (decrease) in pension contribution payable	<u>2,778</u>	<u>(1,624)</u>
Net cash provided by (used in) operating activities	<u>31,045</u>	<u>(57,979)</u>
Cash flows from investing activities:		
Proceeds from sale of investments	290	247
Purchase of transportation equipment	<u>(22,372)</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>(22,082)</u>	<u>247</u>
Cash flows from financing activities:		
Proceeds from note payable	<u>-</u>	<u>279,962</u>
Net cash provided by financing activities	<u>-</u>	<u>279,962</u>
Net Increase in cash and cash equivalents	8,963	222,230
Cash and cash equivalents, beginning of year	<u>1,038,341</u>	<u>816,111</u>
Cash and cash equivalents, end of year	\$ <u>1,047,304</u>	\$ <u>1,038,341</u>

The accompanying notes are an integral part of this statement.

LOUISIANA CRISIS ASSISTANCE CENTER

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE A - SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

1. Nature of Activities

The Louisiana Crisis Assistance Center is a nonprofit organization committed to provide quality legal representation to indigent people facing the death penalty in Louisiana.

2. Presentation of Financial Statements

Net assets and revenues, gains and losses are classified based on donor-imposed restrictions. Accordingly, the net assets and changes therein of the Louisiana Crisis Assistance Center, are classified as follows:

Without donor restrictions: Those resources that are not subject to donor-imposed restrictions. The board of directors has discretionary control over these resources. Designated amounts represent those net assets that the board has set aside for a particular purpose.

With donor restrictions: Those resources subject to donor imposed restrictions that will be satisfied by action or Louisiana Crisis Assistance Center, or by the passage of time.

3. Measure of Operations

The statement of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Corporation's ongoing activities. Non-operating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

4. Revenue From Contracts With Customers - Fees

Revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided and are recognized either over time or at a point in time. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred through a point in time in relation to total actual charges incurred. Louisiana Crisis Assistance Center believes that this method provides a useful depiction of the provision for services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Revenue for performance obligations satisfied at a point in time are recognized when goods or services are provided to the clients and it is not required to provide additional goods or services.

The courts assign cases to Louisiana Crisis Assistance Center to defend at transaction prices set by the courts. These transaction prices are the amounts to which the Corporation expects to be entitled in exchange for transferring services to the clients.

LOUISIANA CRISIS ASSISTANCE CENTER

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

5. Contributed Support

Contributed support is reported Without Donor Restrictions or With Donor Restrictions depending on the existence of donor stimulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restrictions are accomplished, "with donor restrictions" net assets are reclassified to "without donor restrictions" net assets and reported in the statement of activity as "net assets released from restrictions."

Grant revenue is recognized as it is earned in accordance with approved contracts.

6. Receivables

The Corporation considers accounts receivable to be fully collectible since the balance consists primarily of payments due from governmental agencies and government contracts. If amounts due become uncollectible, they will be charged to operations when that determination is made.

7. Investments

Under FASB ASC 320, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statement of Financial Position. Unrealized gains or losses are included in the change in net assets.

8. Property, Building and Equipment

The Louisiana Crisis Assistance Center records property acquisitions at cost. Donated assets are recorded at estimated value at date of donation. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally on the straight-line method.

It is the policy of the corporation to capitalize all property, furniture and equipment with an acquisition cost in excess of \$5,000.

9. Cash Equivalents

For the purpose of the statement of cash flows, the corporation considers all demand deposit accounts and investments with original maturities of three months or less to be cash equivalents.

10. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

LOUISIANA CRISIS ASSISTANCE CENTER
NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2021

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

11. Fair Values of Financial Instruments

Generally accepted accounting principles require disclosure of fair value information about financial instruments for which it is practicable to estimate fair value, whether or not recognized in the statement of financial position. Cash and cash equivalents carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

12. Functional Allocation of Expenses

The expenses of providing program and other activities have been summarized on a functional basis in Note K. Certain of those expenses have been allocated among the program and supporting services benefitted based on estimates by management of the costs involved.

13. Subsequent Events

The Corporation evaluated subsequent events from December 31, 2021 through May 17, 2022, which is the date that the financial statements were available to be issued. The Corporation concluded that no material events or transactions occurred subsequent to December 31, 2021.

14. Summarized Comparative Information

Prior year columns are captioned "Summarized Comparative Information" to indicate that they are presented only to assist with financial analysis. Data in these columns do not present financial position, results of operations or changes in net assets in conformity with generally accepted principles. Neither is such data comparable to a consolidation.

NOTE B - INVESTMENTS

Investments, cost and approximate market value at December 31, 2021, consist of the following:

	<u>Fair Market Value</u>	<u>Cost</u>
Money market account	\$ <u>607,663</u>	\$ <u>607,663</u>

LOUISIANA CRISIS ASSISTANCE CENTER

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2021

NOTE C - GRANT RECEIVABLE

Grant receivable at December 31, 2021, consists of the following:

State of Louisiana - Public Defender Board	\$ <u>115,833</u>
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NOTE D - LAND, PROPERTY AND EQUIPMENT

Land, property, and equipment at December 31, 2021 consists of the following:

Building	\$ 95,426
Building improvements	346,562
Equipment	49,260
Transportation equipment	<u>24,258</u>
	515,506
Less accumulated depreciation	<u>(313,227)</u>
	202,279
Land	<u>60,000</u>
	\$ <u>262,279</u>

The depreciation expense for the year ended December 31, 2021 totaled \$17,518.

NOTE E - WITH DONOR RESTRICTION NET ASSETS

With donor restriction net assets at December 31, 2021 consist of the following:

State of Louisiana - Public Defender Board	\$ <u>149,747</u>
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These are grant funds which will be used for program expenditures during the year ending December 31, 2022.

NOTE F - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Corporation's financial assets available within one year of the balance sheet date to meet its cash needs for general expenditures, including program expenditures, are as follows:

Cash	\$ 1,047,304
Investments	607,663
Grant and fees receivable	<u>198,691</u>
	\$ <u>1,853,658</u>

The Corporation's liquidity management policy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

LOUISIANA CRISIS ASSISTANCE CENTER
NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2021

NOTE G - EXTINGUISHMENT OF DEBT

On November 17, 2020, the corporation received a \$279,962 Payroll Protection Program loan under the CARES Act, payable to a financial institution with interest at .098%, maturing in November, 2022.

On August 20, 2021, the Small Business Administration forgave the Payroll Protection Program loan totaling \$279,962.

NOTE H - INCOME TAXES

The Louisiana Crisis Assistance Center is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Louisiana Crisis Assistance Center has adopted the provisions of FASB ASC 740-10-25, which requires that a tax position be recognized or derecognized based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. The Louisiana Crisis Assistance Center does not believe its financial statements include any uncertain tax positions.

NOTE I - BOARD OF DIRECTORS COMPENSATION

The board of directors is a voluntary board; therefore, no compensation was paid to any board member during the year ended December 31, 2021.

NOTE J - RETIREMENT PLAN

The Corporation sponsors a defined contribution pension plan covering all employees. The Corporation decides the amount, if any, to contribute each year based on a percentage of annual compensation. The percentage for the year ended December 31, 2021 was 5% to 10% based on a certain number of years of service, there was no change in rate from the prior year. The pension expense for the year ended December 31, 2021 totaled \$63,306.

LOUISIANA CRISIS ASSISTANCE CENTER
NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2021

NOTE K - FUNCTIONAL EXPENSES

The functional expenses for the year ended December 31, 2021 consist of the following:

	<u>PROGRAM SERVICES</u> <u>Indigent Defense Services</u>	<u>SUPPORTIVE SERVICES</u> <u>Management and General</u>	<u>Total</u>
Salaries	\$ 973,237	\$ 97,675	\$ 1,070,912
Fringe benefits	217,150	68,574	285,724
Travel	31,573	-	31,573
Litigation expense	53,961	-	53,961
Occupancy expense	51,134	5,681	56,815
Office expense	84,102	21,025	105,127
Postage	2,665	667	3,332
Professional fees	-	19,476	19,476
Training	900	-	900
Vehicle expense	5,624	-	5,624
Depreciation	14,014	3,504	17,518
Other	8,126	2,032	10,158
	<u>\$ 1,442,486</u>	<u>\$ 218,634</u>	<u>\$ 1,661,120</u>

NOTE L - FAIR VALUE MEASUREMENTS

The Corporation's investments are reported at fair value in the accompanying statement of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Corporation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of the following three categories:

- Level 1 - Quoted market prices in active markets for identical assets or liabilities that the Corporation has the ability to access.
- Level 2 - Observable market price based inputs or unobservable inputs that are corroborated by market data.
- Level 3 - Unobservable inputs that are not corroborated by market data.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions.

LOUISIANA CRISIS ASSISTANCE CENTER

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2021

NOTE L - FAIR VALUE MEASUREMENTS - Continued

FASB ASC 820-10, Fair Value Measurements, requires disclosure of the estimated fair value of certain financial instruments and the methods and significant assumptions used to estimate their fair value. Financial instruments within the scope are included in the table below.

	<u>Fair value Measurement of Reporting Date</u>			
	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>	
Money market account	\$ <u>607,663</u>	\$ <u>607,663</u>	\$ <u>-</u>	\$ <u>-</u>

The assumptions to estimate fair values are as follows:

Investment carrying amounts reported in the Statement of Financial Position approximate fair values because of the short maturities of those instruments.

NOTE M - CONCENTRATION OF CREDIT RISK

As of December 31, 2021, the corporation's cash balances consist of the following:

Cash balance, per bank statements	\$ 1,656,340
Less: FDIC insurance	(250,000)
SPIC insurance	(<u>500,000</u>)
Unsecured balance	\$ <u>906,340</u>

The Louisiana Crisis Assistance Center invests in money market funds. Investments are subject to various risks; such as interest rate, credit and overall market volatility risk.

The grant receivable due from the State of Louisiana - Public Defender Board accounts for 100% of the total grants receivable.

NOTE N - ECONOMIC DEPENDENCY

The Louisiana Crisis Assistance Center receives the majority of its revenue from funds provided by the State of Louisiana Public Defender Board. The contract amounts are appropriated each year by the state government. If significant budget cuts are made at the state level, the amount of the funds the corporation receives could be reduced significantly and have an adverse impact on its operations.

The corporation's support through state contracts totaled 75% for the year ended December 31, 2021.

SUPPLEMENTAL INFORMATION

LOUISIANA CRISIS ASSISTANCE CENTER
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

For the year ended December 31, 2021

Agency Head Name: Richard J. Bourke

<u>Purpose</u>	<u>Amount</u>
Compensation	\$ 123,065
Benefits - hospitalization and dental insurance	22,592
Benefits - retirement	12,306
Benefits - disability	813
Parking expense	2,480
Travel - legal cases	1,729
Registration fees	185
Continuing professional education fees and bar dues	1,075

CASCIO & SCHMIDT, 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
Louisiana Crisis Assistance Center

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Louisiana Crisis Assistance Center a nonprofit corporation) which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, and cash flows and for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 17, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements we considered Louisiana Crisis Assistance Center's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Louisiana Crisis Assistance Center's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Louisiana Crisis Assistance Center's internal control.

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

Our consideration of internal control over financial reporting 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. Given these limitations, during our audit we did not identify any deficiencies in the internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Crisis Assistance Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Cascio & Schmidt, LLC

Metairie, Louisiana
May 17, 2022

LOUISIANA CRISIS ASSISTANCE CENTER

SCHEDULE OF FINDINGS AND RESPONSES

For the year ended December 31, 2021

A. INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no significant deficiencies for the year ended December 31, 2021.

B. COMPLIANCE AND OTHER MATTERS

There were no compliance and other matters noted for the year ended December 31, 2021.

C. QUESTIONED COSTS

There were no questioned costs for the year ended December 31, 2021.

D. STATUS OF PRIOR YEAR AUDIT FINDINGS

There were no prior year audit findings.

LOUISIANA CRISIS ASSISTANCE CENTER

STATEWIDE AGREED-UPON PROCEDURES

For the year ended December 31, 2021

CASCIO & SCHMIDT, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the **Governing Board of Louisiana Crisis Assistance Center**
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the year ended **December 31, 2021**. Louisiana Crisis Assistance Center's management is responsible for those C/C areas identified in the SAUPs.

Louisiana Crisis Assistance Center has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the year ended **December 31, 2021**. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

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 employee(s) rate of pay or approval and pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit card, 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).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111 - 1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- 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.

Results - No exceptions were found as a result of these procedures.

Board or Finance Committee

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. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Results - No exceptions were found as a result of these procedures.

Bank Reconciliations

Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each account selected, and observe that:

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

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

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.

Results - No exceptions were found as a result of these procedures.

Collections

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).

For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Employees that are responsible for cash collections do not share cash drawers/registers.

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 be deposit.

Each employee(s) 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.

The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

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:

Observe that receipts are sequentially pre-numbered.

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

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

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).

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

Results - No exceptions were found as a result of these procedures.

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

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).

For each location selected 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 not written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

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

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.

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.

For each location selected above also, 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:

Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested above, as applicable.

Results - No exceptions were found as a result of these procedures.

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

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.

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:

Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [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.]]

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

Using the monthly statements or combined statements selected above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results - No exceptions were found as a result of these procedures.

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

Obtain from management a listing of all travel and 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:

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

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

Observe that each reimbursement 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. (Travel and Expense Reimbursement).

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

Results - No exceptions were found as a result of these procedures.

Contracts

Obtain from management a listing of all agreements/contracts for professional services, material 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:

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.

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

If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

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.

Results - There were no contracts effective during the year ended December 31, 2021.

Payroll and Personnel

Obtain a listing of the employees/elected 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.

Randomly select one pay period during the fiscal period. For the 5 employees or officials selected above, obtain attendance records and leave documentation for the pay period and:

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 a policy and/or contract, the official should document his/her daily attendance and leave.)

Observe that supervisors approved the attendance and leave of the selected employees or officials.

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

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

Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, and 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 the entity policy.

Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results - No exceptions were found as a result of these procedures.

Ethics

The entity is not subject to the Louisiana Code of Ethics.

Debt Service

Debt Service is not applicable to non-profit entities.

Fraud Notice

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.

Observe that the entity has posted on its premisses and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abusive of public funds.

Results - No exceptions were found as a result of these procedures.

Information Technology Disaster Recover/Business Continuity

Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

We performed the procedure and discussed the results with management.

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.

We performed the procedure and discussed the results with management.

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.

We performed the procedure and discussed the results with management.

Sexual Harassment

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

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

Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

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

Number of sexual harassment complaints received by the agency;

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

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

Amount of time it took to resolve each complaint.

The entity is not subject to the sexual harassment requirements of R.S. 42:344.

We were engaged by **Louisiana Crisis Assistance 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 **Louisiana Crisis Assistance 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.

Cascio & Schmidt, LLC

May 17, 2022