

**CIVIC COLLABORATIVE FOUNDATION**

Baton Rouge, Louisiana

**FINANCIAL REPORT**

December 31, 2023

**CIVIC COLLABORATIVE FOUNDATION**  
Baton Rouge, Louisiana

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Civic Collaborative Foundation  
Baton Rouge, Louisiana

***Opinion***

We have audited the accompanying financial statements of **CIVIC COLLABORATIVE FOUNDATION**, (the Foundation) (a non-profit organization), which comprise the statement of financial position as of December 31, 2023, and the related statement of activities and functional expenses and cash flows for the year then ended, and related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the *Louisiana Governmental Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation 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 the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## *Auditors' 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 auditors' 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, the *Louisiana Governmental Audit Guide*, and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, the *Louisiana Governmental Audit Guide*, and *Government Auditing Standards*, we:

- Exercise professional judgement 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 the Foundation'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 the Foundation'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.


(Continued)

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency head is fairly stated in all material respects in relation to the financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2024, on our consideration of the Foundation’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the Foundation’s internal control over financial reporting and compliance.

  
Certified Public Accountants

Baton Rouge, Louisiana  
June 24, 2024

**CIVIC COLLABORATIVE FOUNDATION**

Baton Rouge, Louisiana

**STATEMENT OF FINANCIAL POSITION**

December 31, 2023

**ASSETS**

**CURRENT**

Cash and cash equivalents	<u>\$ 713,298</u>
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 15,854
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Agency funds held for others	562,240
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Due to Baton Rouge Area Foundation	<u>35,063</u>
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Total current liabilities	<u>613,157</u>
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<b>NET ASSETS WITH DONOR RESTRICTIONS</b>	<u>100,141</u>
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Total liabilities and net assets	<u>\$ 713,298</u>
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The accompanying notes to financial statements  
are an integral part of this statement.

**CIVIC COLLABORATIVE FOUNDATION**

Baton Rouge, Louisiana

**STATEMENT OF ACTIVITIES AND FUNCTIONAL EXPENSES**

For the year ended December 31, 2023

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUE AND SUPPORT</b>			
Contributions and grants	\$ 136,190	\$ 3,810	\$ 140,000
Interest income	-	2,001	2,001
In-kind contributions	37,730	-	37,730
	<u>173,920</u>	<u>5,811</u>	<u>179,731</u>
Total revenue and support			
<b>EXPENSES</b>			
Program services:			
IDEA training	135,800	-	135,800
Professional services	101	-	101
General and administrative:			
Salaries and benefits	32,020	-	32,020
Occupancy	5,710	-	5,710
Custodial fees	289	-	289
	<u>173,920</u>	<u>-</u>	<u>173,920</u>
Total expenses			
Change in net assets	-	5,811	5,811
<b>NET ASSETS</b>			
Beginning of year	<u>-</u>	<u>94,330</u>	<u>94,330</u>
End of year	<u>\$ -</u>	<u>\$ 100,141</u>	<u>\$ 100,141</u>

The accompanying notes to financial statements  
are an integral part of this statement.

**CIVIC COLLABORATIVE FOUNDATION**

Baton Rouge, Louisiana

**STATEMENT OF CASH FLOWS**

For the year ended December 31, 2023

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 5,811
Adjustments for change in operating liabilities:	
Increase in accounts payables	15,854
Increase in agency funds held for others	306,490
Increase in due to Baton Rouge Area Foundation	<u>813</u>
Net increase in cash	328,968

**CASH AND CASH EQUIVALENTS**

Beginning of year	<u>384,330</u>
End of year	<u><u>\$ 713,298</u></u>

The accompanying notes to financial statements  
are an integral part of this statement.



## **CIVIC COLLABORATIVE FOUNDATION**

Baton Rouge, Louisiana

### **NOTES TO FINANCIAL STATEMENTS**

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Organization and operations**

The Civic Collaborative Foundation (“Foundation”) is a not-for-profit organization formerly known as the Gulf Coast Restoration and Protection Foundation. The Foundation was formed to provide resources and support to the Louisiana Recovery Authority, a public body whose mission was to support Louisiana’s recovery from Hurricanes Katrina and Rita. The Foundation’s mission is to provide temporary relief to victims of disasters, both natural and man-made, along the Gulf Coast who suffer financial or economic hardship as a result of such disasters.

The Foundation has several agreements with the Louisiana Department of Education (the State) to provide direct training to state personnel, parents, and families of students with disabilities across the State of Louisiana. The objective of the training is to expand the understanding of the special education process and programming by ensuring the families have access to high-quality resources and by developing and implanting support resources. The agreement terms consist of funding from the Federal Individuals with Disabilities Education Act (IDEA) and other special education funding payable over several years as services are rendered.

##### **Basis of accounting and presentation**

The Foundation prepares its financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred. The significant accounting policies are described below to enhance the usefulness of the financial statements.

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

- *Net Assets Without Donor Restriction* - Net assets that are not subject to or are no longer subject to donor-imposed stipulations. The Foundation does not have any net assets without donor restrictions at December 31, 2023.
- *Net Assets With Donor Restriction* - Net assets whose use is limited by donor-imposed time, purpose, and/or perpetuity restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are released to net assets without donor restrictions. Restricted contributions received where stipulations are met in the same period are presented as increases in net assets without donor restrictions.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### **Cash and cash equivalents**

For purposes of the statements of cash flows, the Foundation considers cash in bank accounts and money market funds to be cash equivalents.

### **Revenue Recognition**

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional, or when cash is received. Unconditional contributions with donor restrictions are reported as increases in net assets with donor restrictions and are internally tracked as time-restricted, purpose-restricted, or held in perpetuity, depending on the nature of the restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expired in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities.

### **In-Kind Contributions**

Donated services and use of facilities are recorded at estimated fair value on the date of donation. The Foundation received in-kind contributions during 2023 related to accounting and administrative services performed by the employees of the Baton Rouge Area Foundation (BRAAF), and occupancy cost related to the use of BRAAF's facilities. See Note 6.

### **Functional expense allocation**

The financial statements report certain expense categories that are attributable to more than one service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function are allocated to general and administrative expenses. Program service expenses are based on the direct costs associated with the program.

### **Income tax status**

The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code; therefore, the financial statements have no provision for federal and state income tax. The Foundation files a Form 990 tax return in the U.S. federal jurisdiction. The Foundation follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740-10, *Accounting for Uncertainty in Income Taxes*. Management of the Foundation believes it has no material uncertain tax positions and has not recognized any liability for unrecognized tax benefits. The Foundation's open audit periods are 2020 through 2023.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases**

The Foundation follows the requirements of Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842) which is intended to increase transparency and comparability of accounting for lease transactions. For all lease agreements with terms greater than 12 months, the guidance requires lessees to recognize right-of-use asset and corresponding lease liabilities on the balance sheet and to disclose qualitative and quantitative information about lease transactions. The standard maintains a distinction between finance leases and operating leases.

The Foundation determines if an arrangement contains a lease at inception. Leases are then classified as either right-of-use (ROU) operating or finance leases depending on the characteristics of the lease. ROU assets represent the Foundation's right to control the use of a specified asset for the lease term, and lease liabilities represent the Foundation's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments; the Foundation uses the risk-free discount rate when the discount rate is not implicit in the lease. The lease term is the non-cancellable period of the lease, including any options to extend, purchase, or terminate the lease depending on whether the Foundation is reasonably certain to exercise those options.

The costs associated with operating leases are recognized on a straight-line basis over the period of the leases. Finance lease ROU assets are amortized on a straight-line basis over the shorter of the estimated useful lives or the lease terms, and interest expense incurred over the period of the lease. If the lease transfers ownership to the Foundation or the Foundation is reasonably certain to exercise the option to purchase the underlying asset, the ROU asset is amortized to the end of the useful life of the underlying asset. Assumptions made by the Foundation at the commencement date are re-evaluated upon occurrence of certain events, including lease modifications when that modification is not accounted for as a separate contract.

The Foundation does not recognize ROU assets and lease liabilities on short-term leases but recognize lease expense for these leases on a straight-line basis over the lease terms and any variable lease payments in the period in which the obligation for those payments is incurred.

The Foundation had no ROU assets or liabilities related to leases at December 31, 2023.

(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Current accounting standards implemented**

Effective January 1, 2023, the Foundation adopted the requirements of ASU No. 2016-13, *Financial Instruments—Credit Losses, Current Expected Credit Losses (CECL) (Topic 326)*, which is intended to increase transparency regarding credit risks. CECL utilizes an “expected credit loss” measurement objective for the recognition of credit losses for loans, held-to-maturity securities, and other receivables at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. CECL replaces the existing impairment methods in current GAAP, which generally require that a loss be incurred before it is recognized. The implementation of this standard had no impact on the Foundation’s financial statements as of December 31, 2023.

**Subsequent events**

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through June 24, 2024, which was the date the financial statements were available to be issued.

**NOTE 2 - AGENCY FUNDS HELD FOR OTHERS**

At December 31, 2023, the Foundation held assets of \$562,240, consisting of cash on behalf of various private entities and municipalities participating in a three-state partnership between Arkansas, Louisiana, and Oklahoma, known as the “HALO Hydrogen Hub.” The goal of the “HALO Hydrogen Hub” partnership is to submit a full application for the Regional Clean Hydrogen Hubs Program, allocated through the Infrastructure Investment and Jobs Act. The Foundation is serving as the fiscal administrator for the partnership.

**NOTE 3 - NET ASSETS WITH DONOR RESTRICTIONS**

During 2023, changes in net assets with donor restrictions were as follows:

	<u>December 31, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>December 31, 2023</u>
Families with disabilities	\$ 80,338	\$ 5,218	\$ -	\$ 85,556
Disaster relief	13,992	593	-	14,585
Total	<u>\$ 94,330</u>	<u>\$ 5,811</u>	<u>\$ -</u>	<u>\$ 100,141</u>

**NOTE 3 - NET ASSETS WITH DONOR RESTRICTIONS (CONITNUED)**

The Foundation’s net assets with donor restrictions are for the purpose of providing direct training to parents and families of students with disabilities in the State of Louisiana and supporting victims of natural disasters amongst the gulf coast.

When the related purpose restriction is satisfied, these donor restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**NOTE 4 - RELATED PARTIES**

The Foundation utilizes facilities and personnel of the Baton Rouge Area Foundation (“BRAAF”) for administrative assistance. At December 31, 2023, the Foundation had an outstanding liability totaling \$35,072 payable to BRAAF. This liability represents funds paid for operating expenses by BRAAF on behalf of the Foundation. Additionally, the payable is associated with agency transactions related to HALO Hydrogen Hub program. Management anticipates this liability will be liquidated within the current period. The Foundation had no administrative expenses in 2023 for assistance with the Foundation’s programs.

**NOTE 5 - CONCENTRATIONS OF CREDIT RISK AND ECONOMIC DEPENDENCY**

Revenue derived from IDEA accounted for approximately 99% of total revenue in 2023. The loss of this significant support would have a material adverse effect on the Foundation.

The Foundation typically maintains cash and cash equivalents in local banks that may, at times, exceed the Federal Deposit Insurance Corporation (FDIC) limits. Management believes this risk is limited. The Foundation’s exposure above the FDIC limit as of December 31, 2023 is \$458,888.

**NOTE 6 - IN-KIND CONTRIBUTIONS**

In-kind contributions recognized by the Foundation during the year 2023 are as follows:

	<u>Amount</u>
Salaries and benefits	\$ 32,020
Occupancy	<u>5,710</u>
Total	<u><u>\$ 37,730</u></u>

**NOTE 7 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Foundation’s financial assets available within one year of the balance sheet date for general expenses at December 31, 2023 consist of the following:

	Amount
Cash and cash equivalents	\$ 713,307
Agency funds held for others	(562,240)
 Total	 \$ 151,067

As part of the Foundation’s liquidity management, the Foundation maintains sufficient cash balances throughout the year through receiving grants from the State to support the Foundation’s objective to provide training to parents and families of students with disabilities.

**NOTE 8 - PRIOR PERIOD ADJUSTMENT**

During 2023 financial statement audit, it was discovered that the Foundation recorded cash and cash equivalents balances net of administrative fees due to BRAF. The restatement to correct the understatement of the Foundation’s cash and cash equivalents and amounts due to BRAF are as follows:

	Amount
Cash and cash equivalents as previously reported at December 31, 2022	\$ 350,080
Due to BRAF balances improperly included	34,250
Cash and cash equivalents at December 31, 2022, as restated	\$ 384,330

	Amount
Due to BRAF as previously reported at December 31, 2022	\$ -
Due to BRAF balances improperly excluded	34,250
Due to BRAF at December 31, 2022, as restated	\$ 34,250

The restatement of cash and cash equivalents and due to BRAF had no impact on the Foundation’s net assets at December 31, 2022.

**SUPPLEMENTARY INFORMATION**

**CIVIC COLLABORATIVE FOUNDATION**  
Baton Rouge, Louisiana

**SCHEDULE OF COMPENSATION, BENEFITS AND  
OTHER PAYMENTS TO AGENCY HEAD**

For the year ended December 31, 2023

**Agency Head:** Chris J. Meyer

*No compensation paid to agency head.*



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

To the Board of Directors  
Civic Collaborative Foundation  
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of **CIVIC COLLABORATIVE FOUNDATION** (a nonprofit organization) (the Foundation), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated June 24, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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 Foundation'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 preceding paragraph 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 internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Foundation’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 the *Louisiana Governmental Audit Guide* and *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 Foundation’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 Foundation’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Certified Public Accountants

Baton Rouge, Louisiana  
June 24, 2024

# CIVIC COLLABORATIVE FOUNDATION

Baton Rouge, Louisiana

## SCHEDULE OF FINDINGS AND RECOMMENDATIONS

For the year ended December 31, 2023

### 1) Summary of Auditors' Results:

- A) The type of report issued on the financial statements: **Unmodified opinion.**
- B) Significant deficiencies in internal control were disclosed by the audit of financial statements: **None reported.**

Material weaknesses: **None.**

- C) Noncompliance that is material to the financial statements: **None.**

- 2) Findings relating to the financial statements reported in accordance with the *Louisiana Governmental Audit Guide* and *Government Auditing Standards*: **None.**

**CIVIC COLLABORATIVE FOUNDATION**

Baton Rouge, Louisiana

**SUMMARY OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS**

For the year ended December 31, 2023

There were no reportable instances for the year ended December 31, 2022.

**Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures**

**CIVIC COLLABORATIVE FOUNDATION**

Baton Rouge, Louisiana

For the year ended December 31, 2023

**INDEPENDENT AUDITORS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of  
Civic Collaborative Foundation and  
the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by **CIVIC COLLABORATIVE FOUNDATION** (the Foundation) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2023 through December 31, 2023. The Foundation's management is responsible for those C/C areas identified in the SAUPs.

**CIVIC COLLABORATIVE FOUNDATION** (the Foundation) 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:

***1. Written Policies and Procedures:***

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- A. Obtain and inspect the entity's written policies and procedures and observe whether those written policies and procedures address each of the following categories and subcategories, if applicable to public funds and the entity's operations:
  - i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - ii. ***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.
  - iii. ***Disbursements***, including processing, reviewing, and approving.
  - iv. ***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).

- v. **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 maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **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.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**2. Board or Finance Committee:**

- A. Obtain and inspect the board/committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - i. Observe whether the managing board met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
  - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.

- iii. For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.
- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

### ***3. Bank Reconciliations:***

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

### ***4. Collections:***

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- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (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:
  - i. Employees that are responsible for cash collections do not share cash drawers/registers.
  - ii. 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.
  - iii. 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.



- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
- C. 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.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3A under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *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:
- i. Observe that receipts are sequentially pre-numbered.
  - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - iii. Trace the deposit slip total to the actual deposit per the bank statement.
  - iv. Observe 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).
  - v. Trace the actual deposit per the bank statement to the general ledger.

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

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- A. Obtain a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - ii. At least two employees are involved in processing and approving payments to vendors.
  - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
  - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- i. Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
  - ii. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

#### ***6. Credit Cards/Debit Cards/Fuel Cards/P-Cards:***

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- A. 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.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - i. Observe 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.]]
  - ii. Observe that finance charges and late fees were not assessed on the selected statements.

- C. Using the monthly statements or combined statements selected under #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (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 security.

**7. Travel and Travel-Related Expense Reimbursement (excluding card transactions):**

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- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- i. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**8. Contracts:**

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- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and:
- i. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - ii. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
  - iii. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

## ***9. Payroll and Personnel:***

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- A. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #9A above, obtain attendance records and leave documentation for the pay period, and:
  - i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - ii. Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
  - iv. Observe the rate paid to the employees of officials agree to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee and officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums, etc.) have been paid, and associated forms have been filed, by required deadlines.

## ***10. Ethics:***

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- A. Using the 5 randomly selected employees/officials from procedure #9A under "Payroll and Personnel" above, obtain ethics documentation from management, and:
  - i. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

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

***11. Debt Service:***

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- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

***12. Fraud Notice:***

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- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
- B. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

***13. Information Technology Disaster Recovery/Business Continuity:***

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- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
  - i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if 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.
  - ii. 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.

- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. 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 #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267<sup>1</sup>. The requirements are as follows:
  - i. Hired before June 9, 2020 - completed the training; and
  - ii. Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

#### ***14. Prevention of Sexual Harassment:***

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- B. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- D. 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).
- E. 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:
  - i. Number and percentage of public servants in the agency who have completed the training requirements;
  - ii. Number of sexual harassment complaints received by the agency;
  - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
  - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - v. Amount of time it took to resolve each complaint.

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<sup>1</sup> While it appears to be a good practice for charter schools to ensure its employees are trained to keep their information technology assets safe from cyberattack, charter schools do not appear required to comply with 42:1267. An individual charter school, though, through specific provisions of its charter, may mandate that all employees/officials receive cybersecurity training.

**CIVIC COLLABORATIVE FOUNDATION**  
Baton Rouge, Louisiana

**SCHEDULE OF ASSOCIATED FINDINGS**

For the year ended December 31, 2023

***Associated findings:***

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No associated findings were found as a result of applying the procedures listed above, except as follows:

**1. *Written Policies and Procedures:***

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- A (i) The Foundation did not have policies and procedures in place addressing budgeting, including preparing, adopting, monitoring, and amending the budget.
- A (xi) The Foundation's policies and procedures over information technology disaster recovery/business continuity did not address the following:
  - (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

**3. *Bank Reconciliations:***

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- A (i) The Foundation's bank reconciliation did not include evidence that it was prepared within 2 months of the related statement closing date.
- A (ii) The Foundation's bank reconciliation did not include written evidence that a member of management who does not handle cash, post ledgers, or issue checks has reviewed the bank reconciliation within 1 month of the date the reconciliation was prepared.

**12. *Fraud Notice:***

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- (B) The Foundation does not have a website or a physical facility, thus, we were unable to observe the notice concerning the reporting of misappropriations, fraud, waste, or abuse of public funds.

***Management's Response:***

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The Board of Directors of the Foundation concurs with the exceptions and are working to address the exceptions identified.

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We did not perform testing over credit cards, travel reimbursements, payroll and personnel, ethics, debt service, or prevention of sexual harassment as they were not applicable to the Foundation.

We were engaged by the **CIVIC COLLABORATIVE FOUNDATION** 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, the *Louisiana Governmental Audit Guide*, 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 **CIVIC COLLABORATIVE FOUNDATION** 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.

*Faulk & Winkler, LLC*  
Certified Public Accountants

Baton Rouge, Louisiana  
June 24, 2024