

Louisiana Alliance of Children's Advocacy Centers

Financial Statements and
Supplementary Information
For the Year Ended December 31, 2023

Table of Contents

Independent Auditors' Report	1 - 2
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 13
Supplementary Information	
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	14
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 <i>Government Auditing Standards</i>	15 - 16
Schedule of Findings and Responses	17
Summary Schedule of Prior Year Findings	18



INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Management of
Louisiana Alliance of Children's Advocacy Centers
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Louisiana Alliance of Children's Advocacy Centers (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Louisiana Alliance of Children's Advocacy Centers 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, *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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Louisiana Alliance of Children's Advocacy Centers 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 opinions.

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 Louisiana Alliance of Children's Advocacy Centers'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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial 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 Alliance of Children's Advocacy Centers'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 Alliance of Children's Advocacy Centers's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying 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 expenditures of federal awards 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 27, 2024, on our consideration of Louisiana Alliance of Children's Advocacy Centers's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Louisiana Alliance of Children's Advocacy Centers's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Louisiana Alliance of Children's Advocacy Centers's internal control over financial reporting and compliance.

Hymel & Ready, apac

New Orleans, Louisiana
June 27, 2024

Louisiana Alliance of Children's Advocacy Centers

Statements of Financial Position
For the Year Ended December 31, 2023

Assets

Current Assets

Cash and cash equivalents	\$ 1,008,782
Grants and membership receivable	<u>110,189</u>

Total Current Assets 1,118,971

Fixed Assets

Office equipment	163,730
Accumulated depreciation	<u>(80,406)</u>

Total Fixed Assets 83,324

Other Assets

Security deposit	<u>2,685</u>
------------------	--------------

Total Assets \$ 1,204,980

Liabilities and Net Assets

Current Liabilities

Accounts payable	\$ 8,815
Affiliated payable	942,587
Deferred Revenue	<u>80,000</u>

Total Current Liabilities 1,031,402

Net Assets

Without donor restrictions	93,578
With donor restrictions	<u>80,000</u>

Total Net Assets 173,578

Total Liabilities and Net Assets \$ 1,204,980

The accompanying notes are an integral part of these financial statements

Louisiana Alliance of Children's Advocacy Centers
Statements of Activities and Changes in Net Assets
For the Year Ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Support			
Contributions support:			
Grants	\$ -	\$ 417,843	\$ 417,843
State general funds	-	288,405	288,405
Contributions	63	-	63
Membership	6,045	-	6,045
Interest income	4,476	-	4,476
Other income	15,942	-	15,942
Net assets released from restrictions	<u>626,248</u>	<u>(626,248)</u>	<u>-</u>
Total Revenue and Support	<u>652,774</u>	<u>80,000</u>	<u>732,774</u>
Expenses			
Program services	756,945	-	756,945
Management and General	<u>25,496</u>	<u>-</u>	<u>25,496</u>
Total Expenses	<u>782,441</u>	<u>-</u>	<u>782,441</u>
Change in Net Assets	(129,667)	80,000	(49,667)
Net Assets - Beginning of Year	<u>367,575</u>	<u>-</u>	<u>367,575</u>
Prior Period Adjustments	<u>(144,330)</u>	<u>-</u>	<u>(144,330)</u>
Net Assets - End of Year	<u>\$ 93,578</u>	<u>\$ 80,000</u>	<u>\$ 173,578</u>

The accompanying notes are an integral part of these financial statements

Louisiana Alliance of Children's Advocacy Centers
Statements of Functional Expenses
For the Year Ended December 31, 2023

	LCLE VOCA Grants	NCA Child Abuse Grants	DOA/OVC LYCTC Contract	CJA	ACT 662	State Funding	CAPTA Grants	Total Program	Management and General	Total
Salaries and wages	\$ 107,723	\$ 54,228	\$ 44,440	\$ 3,012	\$ 29,027	\$ 69,190	\$ 12,092	\$ 319,712	\$ 7,834	\$ 327,546
Payroll taxes and related benefits	14,733	6,952	8,316	561	4,376	29,487	2,164	66,589	3,870	70,459
Contractors	-	31,926	-	1,922	-	13,080	-	46,928	244	47,172
Advertising	-	-	-	-	-	1,016	-	1,016	-	1,016
Equipment expense	30,741	1,648	-	-	-	4,624	-	37,013	-	37,013
Miscellaneous	-	2,400	-	-	-	8,365	-	10,765	216	10,981
Professional fees	11,540	-	-	-	-	9,040	-	20,580	-	20,580
Supplies and operating expenses	7,380	26,830	-	-	1,933	24,413	5,106	65,662	-	65,662
Travel	2,087	13,873	30	-	1,999	14,158	35	32,182	2,133	34,315
Depreciation	-	-	-	-	-	30,565	-	30,565	2,472	33,037
Interest	-	-	-	-	-	355	-	355	-	355
Insurance	-	-	-	-	-	5,678	-	5,678	-	5,678
Rent and lease	14,896	4,500	4,200	-	4,600	957	12,404	41,557	-	41,557
Conferences & training	3,500	14,375	-	8,420	-	52,048	-	78,343	8,727	87,070
Total Expenses	\$ 192,600	\$ 156,732	\$ 56,986	\$ 13,915	\$ 41,935	\$ 262,976	\$ 31,801	\$ 756,945	\$ 25,496	\$ 782,441

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

Louisiana Alliance of Children's Advocacy Centers

Statement of Cash Flows

For the Year Ended December 31, 2023

Cash Flows from Operating Activities

Change in Net Assets	\$ (49,667)
Adjustments to Reconcile Net Income to Net Cash (Used in) Provided by Operating Activities:	
Depreciation	33,037
Loss on Disposal of Fixed Assets	
Changes in assets and liabilities:	
Decrease (Increase) in Grants Receivable	214,335
(Decrease) Increase in Accounts Payable	(464,120)
(Decrease) Increase in Affiliate Payable	(309,440)
(Decrease) Increase in Payroll Liabilities	(15,219)
(Decrease) Increase in Deferred Revenues	<u>(64,330)</u>
Net Cash (Used in) Provided by Operating Activities	<u>(655,404)</u>

Cash Flows from Investing Activities

Purchases of Property & Equipment	<u>(16,751)</u>
Net Cash Used in Investing Activities	<u>(16,751)</u>

Net (Decrease) Increase in Cash (672,155)

Cash and Cash Equivalents, Beginning of the Year 1,680,937

Cash and Cash Equivalents, End of the Year \$ 1,008,782

Louisiana Alliance of Children's Advocacy Centers

Notes to Financial Statements

December 31, 2023

1. Background and Nature of Operations

Louisiana Alliance of Children's Advocacy Centers (the Alliance) is a nonprofit organization dedicated to supporting the development, growth, and continuation of Children's Advocacy Centers (CACs) in the State of Louisiana. This includes supporting the CAC member programs in the education of the public, the legislature, and the courts in Louisiana regarding the status and needs of abused children.

The Alliance is supported by member contributions and by grant funds and contracts from the National Children's Alliance, the State of Louisiana, and the Southern Regional Chapter of CACs to provide administration, training and support of the Alliance and the participating CAC members.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Alliance have been prepared on the accrual basis of accounting and accordingly revenues and gains are recognized when earned, and expenses and losses are recognized when incurred in accordance with accounting principles generally accepted in the United States of America as promulgated by the Financial Accounting Standards Board (FASB).

The financial statement presentation follows the recommendations of the FASB in its Accounting Standards Codification (ASC) 958-210-50-3, Financial Statements of Not for-Profit Organizations. Under FASB ASC 958-210-50-3, the Alliance is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions - Net assets that are not subject to donor imposed restrictions and may be expended for any purpose in performing the primary objectives of the Alliance. These net assets may be used at the discretion of the Alliance's management and the board of directors. The revenues received in conducting the mission of the Alliance are included in this category.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Alliance or by the passage of time. Other donor restrictions are perpetual in nature, whereby, the donor has stipulated the funds be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions.

Louisiana Alliance of Children's Advocacy Centers

Notes to Financial Statements

December 31, 2023

2. Summary of Significant Accounting Policies (continued)

Adoption of New Accounting Pronouncement

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which supersedes existing guidance for accounting for leases under Topic 840, *Leases*. The FASB also subsequently issued the following additional ASUs, which amend and clarify Topic 842: ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Leases (Topic 842): Targeted Improvements*; ASU 2018-20, *Narrow-scope Improvements for Lessors*; and ASU 2019-01, *Leases (Topic 842): Codification Improvements*. The adoption of this update did not have a material impact on the Alliance's financial statements.

The Alliance has adopted FASB Accounting Standards Update (Update) No. 2020- 07, "*Not-for-Profit Entities (Topic 958): Presentation and Disclosures for Not-for-Profit Entities for Contributed Nonfinancial Assets*." This Update seeks to increase transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. This Update was applied on a retrospective basis and was effective for annual periods beginning after June 15, 2021. The adoption of this update did not have a material impact on the Alliance's financial statements.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Operations

The Alliance has entered into grant agreements and reimbursement contracts with various local, state, and federal governmental entities. Noncompliance with the terms of these agreements and contracts could have a significant adverse effect on the operations of the Alliance.

Cash and Cash Equivalents

The Alliance considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Grants and Membership Receivable

Management closely monitors outstanding receivable balances and estimates an allowance for uncollectible receivables based on prior experience. Balances that are determined to be uncollectible are written off. Management has determined that all receivable balances are fully collectible. Accordingly, no provision for doubtful accounts is considered necessary as of December 31, 2023.

Louisiana Alliance of Children's Advocacy Centers

Notes to Financial Statements

December 31, 2023

2. Summary of Significant Accounting Policies (continued)

Property and Equipment and Depreciation

Property and equipment are recorded at cost when purchased and at fair market value when received as a donation. Property and equipment exceeding \$1,000 is capitalized. Expenditures for maintenance, repairs, and minor renewals are charged against earnings as incurred. Depreciation is computed using the straight-line method over the useful lives of the assets. The lives range from 3 to 7 years. Depreciation expense for the years ended December 31, 2023 was \$33,037.

Revenue Recognition

Public Support and Revenue

Contributions are reported as increases in net assets with donor restrictions or net assets without donor restrictions depending on the existence and/or nature of any donor restrictions. Grants and contributions without donor restrictions are recorded as revenue when received or unconditionally pledged. Contributions with donor restrictions are reported as increases in net assets without donor restrictions if the restrictions expire, that is, when a stipulated time restriction ends or purpose restriction is accomplished, in the reporting period in which the revenue is recognized.

Membership Dues

Membership dues collected from member CACs of \$500 per year are deferred and recognized during the periods for which the dues relate. Accordingly, membership dues received for the next year are deferred until the membership period commences.

Gifts In-Kind

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Functional Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Alliance.

Louisiana Alliance of Children's Advocacy Centers

Notes to Financial Statements

December 31, 2023

2. Summary of Significant Accounting Policies (continued)

Income Tax Status

The Alliance is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Alliance's tax-exempt purpose is subject to taxation as unrelated business income. For the year ended December 31, 2023, the Alliance did not have any unrelated business income. Management has evaluated its tax positions and has determined that there are no uncertainties in income taxes that require adjustments to or disclosures in the financial statements. The 2019 through 2021 tax years remain subject to examination by the IRS. Management does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the financial statements.

Leases

The Alliance applies judgment in determining whether a contract contains a lease and whether a lease is classified as an operating lease or a finance lease. The Alliance determines the lease term as the non-cancellable term of the lease, which may include options to extend or terminate the lease when it is reasonably certain that the Alliance will exercise that option. The lease term is used in determining classification between operating lease and finance lease, calculating the lease liability and determining the incremental borrowing rate.

The Alliance's lease contracts may include extension and termination options. The Alliance applies judgment in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date of the lease, the Alliance reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Alliance is required to discount lease payments using the rate implicit in the lease if that rate is readily available. If that rate cannot be readily determined, the lessee is required to use its incremental borrowing rate. The Alliance generally uses the incremental borrowing rate when initially recording real estate leases. Information from the lessor regarding the initial direct costs incurred by the lessor related to the leased assets is not available.

The Alliance determines the incremental borrowing rate of each lease by estimating the credit rating of the Alliance at the time the lease is recognized, referencing market yields corresponding to the credit rating and weighted average life of the lease, and factoring in other lease-specific factors such as assumed collateral.

Date of Management Review

Subsequent events have been evaluated through June 27, 2024, which is the date the financial statements were available to be issued.

Louisiana Alliance of Children's Advocacy Centers

Notes to Financial Statements December 31, 2023

3. Liquidity and availability of financial assets

Financial assets available at year end and available to meet cash needs for general expenditures within one year as of December 31, 2023 were \$1,118,971. No amounts were not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

As part of the Alliance's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Alliance has an open line of credit on which to draw in case of unanticipated liquidity needs; therefore, short-term cash flows are carefully monitored.

4. Grants and membership receivable

Grants and membership receivable at December 31, 2023 consists of the following:

LA Division of Administration	\$	33,827
LA Commission of Law Enforcement		33,268
National Children's Alliance, Inc.		<u>43,094</u>
Total grants and membership receivable	\$	<u><u>110,189</u></u>

5. Line of credit

In March 2019, the Alliance obtained a revolving line of credit at a financial institution in the amount of \$30,000 that is utilized for working capital for temporary cash flow. The line of credit was renewed with the same terms through March 2021. In April 2021, the Alliance obtained a new revolving line of credit with an increased credit limit of \$50,000. The line of credit matured in March 2022. The line of credit was renewed with the same terms through April 2023. The line of credit was renewed again on July 20, 2023 and extended the credit limit to \$60,000. Payments are due on demand with an interest rate equal to the prime rate published in the Wall Street Journal (8.50% for 2023) plus 2.00%. There was no outstanding balance as of December 31, 2023.

In May 2023, the line of credit was renewed through April 2024.

6. Restrictions on net assets

Net assets with donor restrictions consisted of the following at December 31st:

State funding \$ 80,000

Net assets were released from restrictions for the following purposes during the years ended December 31st:

State funding	\$	261,201
CAPTA		<u>27,204</u>
	\$	<u><u>288,405</u></u>

Louisiana Alliance of Children’s Advocacy Centers

Notes to Financial Statements December 31, 2023

7. Affiliate payable

The Alliance was appropriated state general funds through house bills executed by the State of Louisiana each year beginning July 1, 2020. During the year ended December 31, 2023, the Alliance was awarded \$1,600,000. The Alliance is allowed to retain 10%, or \$160,000 of the awarded amount for the Alliance’s operations which is recorded as grant revenue in the statements of activities for the years ended December 31, 2023. The remaining \$1,440,000 are to be awarded on a reimbursable basis to chapter CACs upon the Alliance’s approval which is recorded as affiliate payable in the statements of financial position at December 31, 2023. Throughout 2023, the Alliance paid \$874,982 to chapter CACs which is recorded against the affiliate payable. As of December 31, 2023, there were \$941,652 awarded to chapter CACs.

Similarly, the Alliance entered into a grant agreement (CAPTA) with the Department of Children and Family Services (DCFS) each year beginning July 1, 2021. During each year ended December 31, 2023, the Alliance was awarded this grant.

A summary of the activity in affiliate payable during the years ended December 31, 2023 and 2022 is as follows:

	<u>State Funding</u>	<u>CAPTA</u>	<u>Total</u>
Beginning balance 1/1/2023	846,283	405,744	1,252,027
Additional funding	2,165,640	-	2,165,640
Subgrant payments	<u>(2,069,336)</u>	<u>(405,744)</u>	<u>(2,475,080)</u>
Ending balance 12/31/2023	<u>\$ 942,587</u>	<u>\$ -</u>	<u>\$ 942,587</u>

8. Operating leases

In July 2020, the Alliance signed a lease for office space through April 2021 at a monthly rate of \$1,462. The Alliance amended the terms with the same lessor in October 2020 when the Alliance relocated to a larger office space in the same building. The new lease became effective October 1, 2020 and expired on September 30, 2021. From October 1, 2020 through January 1, 2021, the monthly payments remain \$1,462 and increased to \$2,160 thereafter. The lease continued on a month-to-month basis for the month of October at the same rate. The Alliance extended the lease agreement effective November 1, 2021 through October 31, 2022 with an increased monthly payment of \$2,225.

In October 2022, the Alliance signed a lease for office space effective November 1, 2022 through October 31, 2023. Annual rent is \$6,300 or \$525 monthly. This lease was terminated on March 31, 2023. A new lease was signed by the Alliance with an effective date of April 1, 2024 through March 31, 2028. This new lease had an initial execution amount of \$7,000 and after that \$3,500 per month for the remainder of the lease, no increments by year.

For the years ended December 31, 2023, rent expense was \$41,557. Future minimum lease payments required under the noncancellable operating leases are \$42,000 in 2024.

Louisiana Alliance of Children's Advocacy Centers

Notes to Financial Statements December 31, 2023

9. Concentrations of credit risk

Financial instruments that potentially subject the Alliance to concentrations of credit risk principally consist of cash and receivables. The Alliance's policy is to not require receivables to be collateralized.

The Alliance maintains its cash in bank deposit accounts at a financial institution. The balances at times may exceed federally insured limits. At December 31, 2023 and 2022, there were \$758,782 and \$1,430,938 in excess of amounts covered by the Federal Deposit Insurance Corporation (FDIC) of \$250,000. The Alliance has not experienced any losses in these accounts.

Revenue from Federal and State grants represent 97% and 98% of total revenue as of December 31, 2023 and 2022, respectively.

10. Subsequent events

There were no significant subsequent event noted up to June 27, 2024.

11. Prior period adjustment

During 2023, the Alliance adjusted Net Assets by \$(144,330) to account for revenues previously accrued in error and not properly classified and recorded as deferred revenues. The effect was an increase in deferred revenue of \$144,330 and decrease in grant revenue of \$144,330 for the year ended December 31, 2022.

Louisiana Alliance of Children’s Advocacy Centers

Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Years ended December 31, 2023

	Executive Director	Executive Director
	Krystle Mitchell	Jennifer Dexter
	02/04/2023 through 12/31/2023	01/01/2023 through 02/03/2023
Time Served		
Salary	\$ 78,630	\$ 15,389
Benefits - insurance (health and dental)	6,313	789
Total compensation, benefits, and other payments	<u>\$ 84,943</u>	<u>\$ 16,178</u>



BASIS 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 and Management of
Louisiana Alliance of Children's Advocacy Centers
New Orleans, Louisiana

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 Alliance of Children's Advocacy Centers (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 27, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Louisiana Alliance of Children's Advocacy Centers' 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 Louisiana Alliance of Children's Advocacy Centers' internal control. Accordingly, we do not express an opinion on the effectiveness of Louisiana Alliance of Children's Advocacy Centers' 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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 that we consider to be material weaknesses.



Report on Compliance and Other Matters

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

Louisiana Alliance of Children's Advocacy Centers' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Louisiana Alliance of Children's Advocacy Centers' response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Louisiana Alliance of Children's Advocacy Centers' response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Hymel & Ready, apac

New Orleans, Louisiana
June 27, 2024

Louisiana Alliance of Children's Advocacy Centers

Schedule of Findings and Responses For the Year ended December 31, 2023

Section I – Summary of Auditor's Reports

1. The auditor's report expresses an unmodified opinion of the financial statements of Louisiana Alliance of Children's Advocacy Centers.
2. No significant deficiencies but one material weaknesses in internal control related to the audit of the financial statements is reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Prepared in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements were reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance with Other Matters Based on an Audit of Financial Statements Performed in *Accordance with Government Auditing Standards*.
4. A separate management letter was not issued for the year ended December 31, 2023.

Section II – Financial Statement Findings

2023–001 – Improper Recording of Revenues and Expenses Related to Grants

Type of Finding:

Material Weakness in Internal Control over Financial Reporting

Condition: Louisiana Alliance of Children's Advocacy Centers recorded revenue in the improper period and failed to record deferred revenue.

Criteria or specific requirement: Grant awards should be recorded in accordance with the underlying substance of the transaction.

Effect: Grant receivables and revenues are overstated.

Cause: Louisiana Alliance of Children's Advocacy Centers experienced turnover within the year in which the agency had two Executive Directors and two Finance Directors.

Recommendation: The Alliance should carefully review grant agreements to determine the appropriate recording procedures. The Alliance should perform timely reconciliations of grants receivable.

Views of responsible officials and planned corrective actions: Management agrees with the finding and has implemented the recommendation. See Management's Corrective Action plan for further information.

Louisiana Alliance of Children’s Advocacy Centers

**Summary Schedule of Prior Year Findings
For the Year ended December 31, 2022**

Section I – Findings Related to the Financial Statements

2022-001 Improper Recording of Revenues and Expenses Related to Grants

This finding is a continued material weakness in 2023. See current year finding 2023-001.

2022-002 Noncompliance with Louisiana Audit Law Reporting Requirements

This finding has been resolved as of December 31, 2023.

Section II – Management Letter Comments

A management letter was not issued for the year ended December 31, 2022.



June 27, 2024

Louisiana Legislative Auditor

Louisiana Alliance of Children's Advocacy Centers respectfully submits the following corrective action plan for the year ended December 31, 2023.

Name and address of independent public accounting firm:

Hymel & Ready, apac
900 Camp Street, Suite 452
New Orleans, LA 70130

Audit Period: January 1, 2023 – December 31, 2023

The findings from the December 31, 2023 schedule of findings are discussed below. The findings are numbered consistently with the number assigned in the schedule

Section II – Financial Statement Findings

2023–001 – Improper Recording of Revenues and Expenses Related to Grants

Recommendation: The Alliance should carefully review grant agreements to determine the appropriate recording procedures. The Alliance should perform timely reconciliations of grants receivable.

Views of responsible officials and planned corrective actions: Management agrees with the finding and has implemented the recommendation. See Management's Corrective Action plan for further information.

If there are any questions regarding this plan, please contact Krystle Mitchell-Hilliard, Executive Director at (504) 715-4955.

Sincerely,

Krystle
Mitchell

Signature

Digitally signed by Krystle
Mitchell
Date: 2024.06.28
14:39:27 -05'00'

Executive Director

Title

Louisiana Alliance of Children's Advocacy Centers

Agreed Upon Procedures Report

For the Year Ended December 31, 2023





INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2023

To the Governing Board of Louisiana Alliance of Children's Advocacy Centers and the Louisiana Legislative Auditor:

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

Louisiana Alliance of Children's Advocacy Centers 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 attached in Schedule "1."

We were engaged by Louisiana Alliance of Children's Advocacy Centers 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 Alliance of Children's Advocacy Centers 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.

Hymel & Ready, apac
New Orleans, Louisiana
June 27, 2024



Louisiana Alliance of Children’s Advocacy Centers

**Statewide Agreed-Upon Procedures – Schedule 1
December 31, 2023**

WRITTEN POLICIES AND PROCEDURES

1) **Procedure:** 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).

WRITTEN POLICIES AND PROCEDURES (CONTINUED)

e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

g) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

h) **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity’s ethics policy.

j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system

Louisiana Alliance of Children's Advocacy Centers

Statewide Agreed-Upon Procedures – Schedule 1 December 31, 2023

and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

l) **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: There were no exceptions found as a result of applying our audit procedures.

BOARD OR FINANCE COMMITTEE

2) **Procedure:** 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 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 semiannual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: There were no exceptions found as a result of applying the procedure.

BANK RECONCILIATIONS

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

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

Louisiana Alliance of Children's Advocacy Centers

**Statewide Agreed-Upon Procedures – Schedule 1
December 31, 2023**

b) Bank reconciliations include written evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

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

Results: There were no exceptions found as a result of applying the procedures.

COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS)

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

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

a) Employees responsible for cash collections do not share cash drawers/registers.

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

c) Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

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

6) **Procedure:** Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

7) **Procedure:** Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3 (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

Louisiana Alliance of Children's Advocacy Centers

Statewide Agreed-Upon Procedures – Schedule 1 December 31, 2023

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

Results: There were no exceptions found as a result of applying the procedures.

NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)

- 8) **Procedure:** Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5):
- 9) **Procedure:** For each location selected under procedure #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- 10) **Procedure:** For each location selected under procedure #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

Louisiana Alliance of Children's Advocacy Centers

Statewide Agreed-Upon Procedures – Schedule 1 December 31, 2023

a) Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #9 above, as applicable

11) **Procedure:** Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, 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.

Results: There were no exceptions found as a result of applying our audit procedures.

CREDIT CARDS/DEBIT CARDS/FUEL CARDS/PURCHASE CARDS (CARDS)

12) **Procedure:** Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

13) **Procedure:** Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and:

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

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

14) **Procedure:** Using the monthly statements or combined statements selected under procedure #13 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Louisiana Alliance of Children's Advocacy Centers

Statewide Agreed-Upon Procedures – Schedule 1 December 31, 2023

Results: There were no exceptions found as a result of applying our procedures.

TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS)

15) **Procedure:** Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

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

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

c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1g; and

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

Results: There were no exceptions found as a result of applying the procedures.

CONTRACTS

16) **Procedure:** Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

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

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

c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

Louisiana Alliance of Children's Advocacy Centers

Statewide Agreed-Upon Procedures – Schedule 1 December 31, 2023

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

Results: There were no exceptions found as a result of applying the procedures.

PAYROLL AND PERSONNEL

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

18) **Procedure:** Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #17 above, obtain attendance records and leave documentation for the pay period, and:

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

b) Observe whether supervisors approved the attendance and leave of the selected employees or officials;

c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

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

19) **Procedure:** Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

20) **Procedure:** 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: There were no exceptions found as a result of applying the procedures.

ETHICS

21) **Procedure:** Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17 obtain ethics documentation from management, and

Louisiana Alliance of Children's Advocacy Centers

Statewide Agreed-Upon Procedures – Schedule 1 December 31, 2023

a) Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

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

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

Results: There were no exceptions found as a result of applying the procedure.

DEBT SERVICE

23) **Procedure:** 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.

24) **Procedure:** 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).

Results: There were no exceptions found as a result of applying the procedure.

FRAUD NOTICE

25) **Procedure:** Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

26) **Procedure:** 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.

Results: There were no exceptions found as a result of applying the procedures.

INFORMATION TECHNOLOGY DISASTER RECOVERY/ BUSINESS CONTINUITY

27) **Procedure:** Perform the following procedures:

a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical

Louisiana Alliance of Children's Advocacy Centers

Statewide Agreed-Upon Procedures – Schedule 1 December 31, 2023

data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

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

c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

28) Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Results: Since the Alliance is a small entity, they only use online software programs to store and backup data and do not have IT personnel nor do they contract with external IT consultants. The Alliance does not have an IT Disaster recovery plan written down.

PREVENTION OF SEXUAL HARASSMENT

29) **Procedure:** Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17, 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.

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

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

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

b) Number of sexual harassment complaints received by the agency;

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

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

e) Amount of time it took to resolve each complaint.

Louisiana Alliance of Children’s Advocacy Centers

**Statewide Agreed-Upon Procedures – Schedule 1
December 31, 2023**

Results: There were no exceptions found as a result of applying the procedure.



June 27, 2024

Louisiana Legislative Auditor

Louisiana Alliance of Children's Advocacy Centers respectfully submits the following corrective action plan for items identified pursuant to the agreed-upon procedures in accordance with Statewide Agreed Upon Procedures.

Name and address of independent public accounting firm:

Hymel & Ready, apac
900 Camp Street, Suite 452
New Orleans, LA 70130

Engagement Period: January 1, 2023 – December 31, 2023

The exceptions from the statewide agreed-upon procedures report are discussed below:

Information Technology Disaster Recovery/Business Continuity

Exception: Since the Alliance is a small entity, they only use online software programs to store and backup data and do not have IT personnel nor do they contract with external IT consultants. The Alliance does not have an IT Disaster recovery plan written down.

Management's Response to Exceptions: Management has noted and agrees with the above exceptions. Management will consider the effects of such exceptions and the need to enhance key controls or compensating controls in the identified areas.

If there are any questions regarding this plan, please contact Krystle Hilliard-Mitchell, Executive Director at (504) 715-4955.

Sincerely,

Krystle
Mitchell

Signature

Digitally signed by Krystle
Mitchell
Date: 2024.06.28
09:15:19 -05'00'

Executive Director

Title