

**LOUISIANA CENTER FOR CHILDREN'S RIGHTS
(A NONPROFIT ORGANIZATION)**

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

JUNE 30, 2024 AND 2023

LOUISIANA CENTER FOR CHILDREN'S RIGHTS

TABLE OF CONTENTS

JUNE 30, 2024 AND 2023

	<u>Page #</u>
INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS	1-3
FINANCIAL STATEMENTS	
Statements of Financial Position	4
Statements of Activities	5-6
Statements of Functional Expenses	7-8
Statements of Cash Flows	9
Notes to Financial Statements	10-17
GOVERNMENT AUDITING STANDARDS COMPLIANCE REPORT	
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</i> <i>Auditing Standards</i>	18-19
SCHEDULES OF FINDING AND QUESTIONED COSTS	
Schedule of Findings and Questioned Costs	20
Schedule of Prior Audit Findings	21
SUPPLEMENTARY INFORMATION	
Schedule of Compensation, Benefits and other Payments to the Executive Director	22
INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING STATEWIDE AGREED-UPON PROCEDURES	23-34



INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Board of Directors and Executive Director of
Louisiana Center for Children's Rights
New Orleans, Louisiana

Opinion

We have audited the accompanying financial statements of Louisiana Center for Children's Rights, (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, statement of functional expenses, and cash flows for the years then ended, and the 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 Louisiana Center for Children's Rights as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Louisiana Center for Children's Rights 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.

Responsibility of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Louisiana Center for Children's Rights' 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 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, 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 Center for Children's Rights' 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 Center for Children's Rights' ability to continue as a going concern for a reasonable period of time.

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

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits and Other Payments to Executive Director 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2024, on our consideration of Louisiana Center for Children’s Rights’ 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 Center for Children’s Rights’ 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 Center for Children’s Rights’ internal control over financial reporting and compliance.

Bernard & Franko

Metairie, Louisiana
December 3, 2024

LOUISIANA CENTER FOR CHILDREN'S RIGHTS

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 710,206	\$ 899,264
Investments-certificates of deposit	1,400,388	1,500,000
Accrued interest	31,072	36,360
Accounts receivable	212,764	297,271
Unconditional promises to give	350,750	288,585
Prepaid expenses	18,333	13,750
Total current assets	\$ 2,723,513	\$ 3,035,230
 PROPERTY AND EQUIPMENT	 \$ 123,835	 \$ 120,912
Less, accumulated depreciation	(114,720)	(110,955)
Total property and equipment	\$ 9,115	\$ 9,957
 LONG-TERM ASSETS		
Unconditional promises to give, less unamortized discount	\$ -	\$ 223,250
Investments-certificates of deposit	899,115	-
Total long-term assets	\$ 899,115	\$ 223,250
 Total assets	\$ 3,631,743	\$ 3,268,437
 CURRENT LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 55,237	\$ 20,590
Payroll liabilities	2,446	1,648
Total current liabilities	\$ 57,683	\$ 22,238
 NET ASSETS		
Without donor restrictions		
Undesignated	\$ 2,849,482	\$ 2,425,495
Board designated	15,000	15,000
With donor restrictions	709,578	805,704
Total net assets	\$ 3,574,060	\$ 3,246,199
 Total current liabilities and net assets	\$ 3,631,743	\$ 3,268,437

See notes to the financial statements.

LOUISIANA CENTER FOR CHILDREN'S RIGHTS

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Program service fees	\$ 1,204,710	\$ -	\$ 1,204,710
Contributions			
Contributions and grants	1,678,207	884,510	2,562,717
Contribution from United Way	-	50,000	50,000
In-kind rent contribution	77,268	-	77,268
Interest income	58,308	-	58,308
Other income	126	-	126
Net assets released from restrictions:			
Satisfaction of program/time restrictions	1,030,636	(1,030,636)	-
	\$ 4,049,255	\$ (96,126)	\$ 3,953,129
EXPENSES			
Program services	\$ 2,963,083	\$ -	\$ 2,963,083
Supporting services			
General and administrative	458,023	-	458,023
Fund raising	204,162	-	204,162
	\$ 3,625,268	\$ -	\$ 3,625,268
Change in net assets	\$ 423,987	\$ (96,126)	\$ 327,861
NET ASSETS BEGINNING OF THE YEAR	2,440,495	805,704	3,246,199
NET ASSETS END OF THE YEAR	\$ 2,864,482	\$ 709,578	\$ 3,574,060

See notes to the financial statements.

LOUISIANA CENTER FOR CHILDREN'S RIGHTS

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Program service fees	\$ 1,708,676	\$ -	\$ 1,708,676
Contributions			
Contributions and grants	860,760	1,030,250	1,891,010
Contribution from United Way	-	50,000	50,000
In-kind rent contribution	71,900	-	71,900
Interest income	78,161	-	78,161
Other income	7,500	-	7,500
Net assets released from restrictions:			
Satisfaction of program restrictions	951,459	(951,459)	-
	\$ 3,678,456	\$ 128,791	\$ 3,807,247
EXPENSES			
Program services	\$ 2,900,660	\$ -	\$ 2,900,660
Supporting services			
General and administrative	437,965	-	437,965
Fund raising	193,211	-	193,211
	\$ 3,531,836	\$ -	\$ 3,531,836
Change in net assets	\$ 146,620	\$ 128,791	\$ 275,411
NET ASSETS BEGINNING OF THE YEAR	2,293,875	676,913	2,970,788
NET ASSETS END OF THE YEAR	\$ 2,440,495	\$ 805,704	\$ 3,246,199

See notes to the financial statements.

LOUISIANA CENTER FOR CHILDREN'S RIGHTS

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024**

	Program Services	Supporting Services		Total
		General and Administrative	Fund Raising	
Compensation and related expenses				
Compensation	\$ 2,094,923	\$ 68,313	\$ 113,855	\$ 2,277,091
Employee benefits and taxes	535,526	17,463	29,105	582,094
Total compensation and related expenses	<u>\$ 2,630,449</u>	<u>\$ 85,776</u>	<u>\$ 142,960</u>	<u>\$ 2,859,185</u>
Client records and welfare	\$ 16,304	\$ -	\$ -	\$ 16,304
Computers and maintenance	21,322	44,722	-	66,044
Consultants and contractors	196,251	158,649	22,419	377,319
Copier and maintenance	-	4,283	-	4,283
Depreciation	-	3,765	-	3,765
Grants to others	-	2,765	33,772	36,537
In-kind rent contribution	773	76,495	-	77,268
Insurance	-	22,393	-	22,393
Law library	4,189	-	-	4,189
Meetings for board and staff	2,640	9,530	3,912	16,082
Office expense	-	40,655	-	40,655
Policy	7,368	-	-	7,368
Postage and delivery	-	354	668	1,022
Printing and filing	164	-	112	276
Professional and association dues	322	30	319	671
Professional fees	23	8,606	-	8,629
Training	19,169	-	-	19,169
Travel and transportation	64,109	-	-	64,109
Total expenses	<u>\$ 2,963,083</u>	<u>\$ 458,023</u>	<u>\$ 204,162</u>	<u>\$ 3,625,268</u>

See notes to the financial statements.

LOUISIANA CENTER FOR CHILDREN'S RIGHTS

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023**

	Program Services	Supporting Services		Total
		General and Administrative	Fund Raising	
Compensation and related expenses				
Compensation	\$ 2,005,294	\$ 65,390	\$ 108,983	\$ 2,179,667
Employee benefits and taxes	473,104	15,427	24,712	513,243
Total compensation and related expenses	<u>\$ 2,478,398</u>	<u>\$ 80,817</u>	<u>\$ 133,695</u>	<u>\$ 2,692,910</u>
Client records and welfare	\$ 28,556	\$ -	\$ -	\$ 28,556
Computers and maintenance	19,226	40,326	-	59,552
Consultants and contractors	199,660	161,406	22,809	383,875
Copier and maintenance	-	1,637	-	1,637
Depreciation	-	3,746	-	3,746
Grants to others	-	2,379	29,058	31,437
In-kind rent contribution	595	71,305	-	71,900
Insurance	-	19,541	-	19,541
Law library	4,714	-	-	4,714
Meetings for board and staff	951	3,433	1,409	5,793
Office expense	566	34,530	-	35,096
Policy	23,390	-	-	23,390
Postage and delivery	-	528	996	1,524
Printing and filing	1,294	-	882	2,176
Professional and association dues	4,401	411	4,362	9,174
Professional fees	48	17,906	-	17,954
Training	15,283	-	-	15,283
Travel and transportation	123,578	-	-	123,578
Total expenses	<u>\$ 2,900,660</u>	<u>\$ 437,965</u>	<u>\$ 193,211</u>	<u>\$ 3,531,836</u>

See notes to the financial statements.

LOUISIANA CENTER FOR CHILDREN'S RIGHTS

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 327,861	\$ 275,411
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	3,765	3,746
Increase (decrease) in operating assets:		
Accounts receivable	84,507	(14,534)
Unconditional promises to give	161,085	(246,152)
Accrued interest	5,288	(36,360)
Prepaid expenses	(4,583)	9,332
Increase (decrease) in operating liabilities:		
Accounts payable	53,589	20,290
Payroll liabilities	(18,144)	(15,260)
Net cash provided by (used by) operating activities	\$ 613,368	\$ (3,527)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property and equipment	\$ (2,923)	\$ -
Purchase of certificates of deposit	(799,503)	(1,500,000)
Net cash provided by (used by) investing activities	\$ (802,426)	\$ (1,500,000)
Net increase (decrease) in cash and cash equivalents	\$ (189,058)	\$ (1,503,527)
Beginning cash and cash equivalents	\$ 899,264	\$ 2,402,791
Ending cash and cash equivalents	\$ 710,206	\$ 899,264

See notes to the financial statements.

LOUISIANA CENTER FOR CHILDREN'S RIGHTS

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

Louisiana Center for Children's Rights is a nonprofit law office that supports the juvenile defense system of Louisiana. The Organization's mission and vision are as follows:

Mission

Using direct representation and advocacy, we fight to keep children out of the justice system so that they can thrive in their homes and communities.

Vision

We envision a Louisiana where every child, no matter their race or class, is free to be a kid and supported in becoming a healthy adult.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America, which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

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 Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby, the donor has stipulated these funds be maintained in perpetuity.

Use of Estimates

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Certificates of deposit

Certificates of deposit held for investment that are not debt securities are included in "investments-certificates of deposit". The certificates of deposit have a remaining maturity of less than one year and are classified as a current asset on the combined Statements of Financial Position.

LOUISIANA CENTER FOR CHILDREN'S RIGHTS

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Accounts receivables are stated at the amount management expects to collect based on their review of outstanding balances. The Organization carries its accounts receivable net of an allowance for credit losses. The Organization estimates credit losses associated with accounts receivable using as expected credit loss model, which utilizes an aging schedule methodology based on historical information and adjusted for asset-specific considerations and current economic conditions. The Organization's approach considers several factors, including overall historical credit losses and payment experience, as well as current collection trends such as write-off frequency.

Collection losses have historically not been significant. As of June 30, 2024, management concluded that based on its review of accounts receivable balances outstanding, a valuation allowance was not required.

Unconditional Promises to Give

Unconditional promises to give that are expected to be collected within one year and are recorded at their net realizable value. Contributions that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discount on these amounts are computed using a risk-free interest rate of 5% applicable to the year in which the contribution is made. Amortization of the discount is included in contribution revenue.

Property and Equipment

All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation for furniture and equipment is computed using the straight-line method over the useful life of the assets, which is typically five years.

Certificates of deposit

Certificates of deposit held for investment that are not debt securities are included in "investments-certificates of deposit". The certificates of deposit have a remaining maturity of less than one year and are classified as a current asset on the combined Statements of Financial Position.

Program Service Fees

Contracts for service revenue are recognized as earned as the services are provided in accordance with the approved contracts.

LOUISIANA CENTER FOR CHILDREN'S RIGHTS

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

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.

Expense Allocation

The costs of providing program services and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on use rates estimated by management.

In-Kind Contributions and Contributed Services

In-kind contributions are reflected as contributions at their fair value at date of donation and are reported as support without donor restrictions unless explicit donor stipulations specify how donated assets must be used. The Organization benefited from in-kind rent contribution for its administrative and program office space. This amount has been reported as both in-kind rent contribution and in-kind rent expense on the statements of activities. The Organization recognizes the fair value of contributed services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. The Organization receives services from volunteers who give their time to the Organization's programs and fund-raising campaigns, but which do not meet the criteria for financial statement recognition.

Income Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Organization's Form 990, *Return of Organization Exempt from Income Tax*, for the years ending June 30, 2022-2024 are subject to examination by the IRS, generally for three years after they were filed.

LOUISIANA CENTER FOR CHILDREN'S RIGHTS

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentrations

The Organization's primary source of revenue is derived from program service fees and contributions and grants. For the years ended June 30, 2024 and 2023, \$1,204,710 and \$1,708,676 or 31% and 45% of the Organization's total gross revenue was from program service fees, respectively. In addition, \$2,612,717 and \$1,941,010 or 66% and 51% from contributions and grants revenue. The Organization receives a significant amount of these revenues through various governmental entities. If significant budget cuts are made at the federal, state, or local level, the amount of funds the Organization receives could be reduced significantly and have an adverse impact on its operations.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Implementation of New Accounting Standard

The Organization has adopted the Current Expected Credit Losses (CECL) accounting standard, as per Accounting Standards Update (ASU) No. 2016-13, "Financial Instruments – Credit Losses (Topic 326)." The standard introduces a new model for estimating credit losses on financial instruments. After a thorough evaluation, management has determined that the impact of adopting the CECL standard on the financial statements is immaterial. The Organization has considered factors such as historical loss experience, current economic conditions, and other relevant factors in its credit loss estimation process. As a result, the adoption of the CECL standard has not had a material impact on the Organization's financial position, results of operations, or cash flows.

NOTE 2. CASH AND CASH EQUIVALENTS

The Organization maintains two bank accounts, which includes a money market account and a checking account, at one bank in New Orleans, Louisiana. Accounts at the institution are insured by the Federal Deposit Insurance Corporation (FDIC) for amounts up to \$250,000 for interest bearing accounts. Cash at these institutions exceeded FDIC limits by \$430,622 and \$647,407 at June 30, 2024 and 2023, respectively. The Organization maintains its cash with a high-quality financial institution which the Organization believes limits these risks.

LOUISIANA CENTER FOR CHILDREN'S RIGHTS

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE 3. CERTIFICATES OF DEPOSIT

The certificates of deposit balance at June 30, 2024 and 2023 consist of the following:

Certificates of deposit held by institutions:	2024
Short-term:	
Yields 5.30% per annum, due 08/29/2024	\$ 249,875
Yields 5.40% per annum, due 10/01/2024	250,232
Yields 5.15% per annum, due 01/17/2025	249,785
Yields 5.05% per annum, due 04/04/2025	199,870
Yields 5.50% per annum, due 04/30/2025	200,751
Yields 5.00% per annum, due 06/02/2025	249,875
	\$ 1,400,388
Long-term:	
Yields 5.05% per annum, due 08/04/2025	\$ 50,020
Yields 5.05% per annum, due 08/08/2025	250,108
Yields 5.00% per annum, due 09/29/2025	99,975
Yields 5.15% per annum, due 12/01/2025	249,437
Yields 5.15% per annum, due 12/05/2025	249,575
	\$ 899,115
Total certificates of deposit	\$ 2,299,503

Certificates of deposit held by institutions:	2023
Yields 4.70% per annum, due 11/22/2023	\$ 250,000
Yields 4.60% per annum, due 08/23/2023	250,000
Yields 4.75% per annum, due 05/30/2024	250,000
Yields 5.25% per annum, due 03/01/2024	250,000
Yields 4.75% per annum, due 12/28/2023	250,000
Yields 4.70% per annum, due 07/12/2023	250,000
	\$ 1,500,000
Total certificates of deposit	\$ 1,500,000

LOUISIANA CENTER FOR CHILDREN'S RIGHTS

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 4. PROPERTY AND EQUIPMENT

Property and equipment for the years ended June 30, 2024 and 2023 is as follows:

	2024	2023
Equipment	\$ 77,861	\$ 74,938
Furniture	45,974	45,974
	\$ 123,835	\$ 120,912
Less, accumulated depreciation	(114,720)	(110,955)
Total	\$ 9,115	\$ 9,957

Depreciation expense for the years ended June 30, 2024 and 2023 was \$3,765 and \$3,746, respectively.

NOTE 5. UNCONDITIONAL PROMISES TO GIVE

The Organization had the following unconditional promises to give for the years ended June 30, 2024 and 2023. The long-term portion of the assets were discounted using a 5% rate.

	2024	2023
Public Welfare	\$ 200,000	\$ 200,000
Baptist Community Ministries	65,000	-
United Way	50,000	50,000
Campbell Foundation	35,000	70,000
Institute of Mental Health	12,500	3,335
Foundation for Louisiana	-	20,000
Louisiana Bar Foundation	-	64,000
Tulane Lutz Foundation	-	18,750
Charles M. and Mary D. Grant Foundation	-	35,000
Gaudet	-	12,500
Amalgated	-	50,000
Total unconditional promises to give	\$ 362,500	\$ 523,585
Unamortized discount	(11,750)	(11,750)
Unconditional promises to give, net	\$ 350,750	\$ 511,835
Current portion	\$ 350,750	\$ 127,498
Long-term	-	223,250
Total	\$ 350,750	\$ 350,748

LOUISIANA CENTER FOR CHILDREN’S RIGHTS

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 6. LEASE AND DONATED FACILITIES

On June 1, 2015, the Organization entered into a lease agreement with the City of New Orleans whereby the Organization would lease space at no cost for its administrative and program facility. The City of New Orleans owns and manages the facility. The initial term of the donated lease was for a three-year period that ended on May 31, 2018. Beginning June 1, 2018, the Organization continues to have use of the office space with services and utilities at no cost. The Organization recorded the fair value of the annual lease as an in-kind rental contribution and expense. The current fair market value of the lease is \$77,268. In-kind rent contribution and expense of \$77,268 and \$71,900 was recorded for the years ended June 30, 2024 and 2023, respectively.

NOTE 7. NET ASSETS

The detail of the Organization’s net asset categories at June 30, are as follows:

	2024	2023
Without donor restrictions:		
Undesignated	\$ 2,849,482	\$ 2,425,495
Designated for future liquidity	15,000	15,000
Total without donor restrictions	\$ 2,864,482	\$ 2,440,495
With donor restrictions:		
Unexpended funds received for restricted purposes	\$ 130,723	\$ 400,809
Unexpended funds received for future periods	578,855	404,895
Total with donor restrictions	\$ 709,578	\$ 805,704
Total net assets	\$ 3,574,060	\$ 3,246,199

NOTE 8. CONTINGENCY

The Organization is a recipient of contracts and grants from the state and federal funding agencies. The contracts and grants are governed by various state and federal guidelines, regulations, and contractual agreements. The administration of the programs and activities funded by these contracts and grants are under the control and administration of the Organization and are subject to audit and/or review by the funding agencies. Any contract or grant found to be not properly spent in accordance with the terms, conditions, and regulations of the state and federal agencies may be subject to recapture.

LOUISIANA CENTER FOR CHILDREN'S RIGHTS

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 9. LIQUIDITY

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

Financial assets at year-end:	2024	2023
Cash and cash equivalents	\$ 710,206	\$ 899,264
Accounts receivable	212,764	297,271
Unconditional promises to give	350,750	288,585
Total financial assets available	<u>\$ 1,273,720</u>	<u>\$ 1,485,120</u>

The Organization is substantially supported by grants, governmental contracts and contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Occasionally, the board designates a portion of any operating surplus to its liquidity reserves, which was \$15,000 as of June 30, 2024 and 2023. The funds established by the governing board may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities.

NOTE 10. RELATED PARTY TRANSACTION

The Board of Directors is a voluntary board. No compensation was paid to any board member during the years ended June 30, 2024 and 2023.

NOTE 11. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 3, 2024, the date which the financial statements were available for use. Management's evaluation revealed no subsequent events that require adjustment to or disclosure in the financial statements.

GOVERNMENT AUDITING STANDARDS COMPLIANCE REPORT



**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 Executive Director of
Louisiana Center for Children's Rights
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 Center for Children's Rights (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated December 3, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Louisiana Center for Children's Rights' 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 Center for Children's Rights' internal control. Accordingly, we do not express an opinion on the effectiveness of Louisiana Center for Children's Rights' 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 organization's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 Louisiana Center for Children's Rights' 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*.

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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bernard & Franks

Metairie, Louisiana

December 3, 2024

LOUISIANA CENTER FOR CHILDREN’S RIGHTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

SUMMARY OF AUDITORS’ RESULTS

1. The auditors’ report expresses an unmodified opinion on the financial statements of Louisiana Center for Children’s Rights, which was prepared in accordance with generally accepted accounting principles 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.
2. No significant deficiencies or material weaknesses of Louisiana Center for Children’s Rights’ in internal control were disclosed by the audit of the financial statements as 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 Performed in accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Louisiana Center for Children’s Rights were disclosed in the 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*.
4. No management letter was issued for June 30, 2024.
5. Louisiana Center for Children’s Rights did not expend more than \$750,000 in federal awards during the year ended June 30, 2024, and therefore, is exempt from the audit requirements under the *Uniform Guidance*.

FINDINGS-FINANCIAL STATEMENTS

There were no findings for the year ended June 30, 2024.

FINDINGS-FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

This is not applicable to the Organization for the year ended June 30, 2024.

LOUISIANA CENTER FOR CHILDREN'S RIGHTS
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

There were no audit findings for the year ended June 30, 2023.

SUPPLEMENTARY INFORMATION

LOUISIANA CENTER FOR CHILDREN'S RIGHTS
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO EXECUTIVE DIRECTORS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Kristen Rome</u>
Salary	\$ 130,350
Benefits-insurance	25,165
Reimbursements	<u>2,655</u>
Total	<u><u>\$ 158,170</u></u>



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING STATEWIDE AGREED-UPON PROCEDURES

To the Board of Directors of
Louisiana Center for Children's Rights
New Orleans, Louisiana
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 July 1, 2023 through June 30, 2024. Louisiana Center for Children's Rights's management is responsible for those C/C areas identified in the SAUPs.

Louisiana Center for Children's Rights (a nonprofit "Organization") has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2023 through June 30, 2024. 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*

A. Obtain and inspect the Organization's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the Organization's operations:

- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

Result: There were no exceptions noted.

- 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.

Result: There were no exceptions noted.

- iii. ***Disbursements***, including processing, reviewing, and approving.

Result: There were no exceptions noted.

- 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).

Result: There were no exceptions noted.

- v. ***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(s) rate of pay or approval and maintenance of pay rate schedules.

Result: There were no exceptions noted.

- 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.

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

- ix. ***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 Organization's ethics policy.

Result: The Organization is a nonprofit organization; therefore, the ethics agreed-upon procedure does not apply.

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

Result: The Organization is a nonprofit organization; therefore, the debt service agreed-upon procedure does not apply.

- 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.

Result: There were no exceptions noted.

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

Result: The Organization does have a sexual harassment policy, but their policies are not defined under Louisiana Revised Statute (R.S.) 42:342-344, due to their nonprofit status. Therefore, the sexual harassment agree-upon procedures do not apply.

2.) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Results: There were no exceptions noted.

- ii. For those entities reporting on the nonprofit 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 Organization's collections during the fiscal period.

Results: There were no exceptions noted.

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

Results: The Organization is a nonprofit organization; therefore, this agreed-upon procedure does not apply.

- 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.

Results: This is not applicable because the Organization did not have audit findings.

3.) Bank Reconciliations

- A. Obtain a listing of Organization bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the Organization's main operating account. Select the Organization'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:

Result: We obtained the required list with management's representation that the listing is complete.

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

Result: There were no exceptions noted.

- 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

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

4.) Collections (excluding electronic funds transfers)

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

Result: We obtained the required list with management's representation that the listing is complete.

- 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:

Result: We obtained the required list with management's representation that the listing is complete.

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

Result: There were no exceptions noted.

- 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.

Result: There were no exceptions noted.

- 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.

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

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

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

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

- 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).

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Result: We obtained the required list with management's representation that the listing is complete.

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Result: We obtained the required list with management's representation that the listing is complete.

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
Result: There were no exceptions noted.
 - ii. At least two employees are involved in processing and approving payments to vendors.
Result: There were no exceptions noted.
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
Result: There were no exceptions noted.
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
Result: There were no exceptions noted.
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
Result: There were no exceptions noted.
- C. For each location selected under #5A above, obtain the Organization's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the Organization.
Result: There were no exceptions noted.
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
Result: There were no exceptions noted.
- D. Using the Organization's main operation 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 Organization's policy, and (b) approved by the required number of authorized signers per the Organization'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.
Result: There were no exceptions noted.

6.) Credit Cards/Debit Cards/Fuel Cards/P-Cards

- 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.

Result: We obtained the required list with 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 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.

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

C. Using the monthly statements or combined statements selected under #6B 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 it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Result: There were no exceptions noted.

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

A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, 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:

Result: We obtained the required list with management's representation that the listing is complete.

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

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

- iii. Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policies and procedures procedure #1A(vii).

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

8.) Contracts

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

Result: We obtained the required list with management's representation that the listing is complete.

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

Result: This is not applicable, as the Organization did not have any contracts under the Louisiana Public Bid Law requirements.

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law.

Result: There were no exceptions noted.

- iii. If the contract was amended (e.g., change order), observe 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).

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

9.) Payroll and Personnel

- A. Obtain a listing of employees 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.

Result: We obtained the required list with management's representation that the listing is complete.

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

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

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

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

Result: There we no exceptions noted.

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

Result: We obtained the required list with management's representation that the listing is complete. There were no exceptions noted.

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

Result: We obtained management's representation that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by required deadlines. There were no exceptions noted.

10.) Ethics

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

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

- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
23. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

The Organization is a nonprofit organization; therefore, the ethics agreed-upon procedure does not apply.

11.) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- 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).

The Organization is a nonprofit organization; therefore, the debt service agreed-upon procedure does not apply.

12.) Fraud Notice

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

Result: The Organization represented that there were no misappropriations of public funds for the fiscal year. There were no exceptions noted.

- B. Observe the Organization has posted on its premises and website, the notice required by Louisiana Revised Statute (R.S.) 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Result: There were no exceptions noted.

13.) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures:

- 1. Obtain and inspect the Organization's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

Result: We performed the procedure and discussed the results with management.

- i. Obtain and inspect the Organization'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.

Result: We performed the procedure and discussed the results with management.

- ii. Obtain a listing of the Organization'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.

Result: We performed the procedure and discussed the results with management.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected employees have been removed or disabled from the network.

Result: We performed the procedure and discussed the results with management.

- 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. 42:1267¹. The requirements are as follows:

1. Hired before June 9, 2020 - completed the training; and
2. Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Result: We performed the procedure and discussed the results with management.

14.) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

- 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.

The Organization is a nonprofit organization; therefore, the prevention of sexual harassment agreed-upon procedure does not apply.

We were engaged by Louisiana Center for Children's Rights 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 Center for Children's Rights 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 (R.S.) 24:513, this report is distributed by the LLA as a public document.

Bernard & Franks

December 3, 2024
Metairie, Louisiana