Children's Advocacy Center
Hope House

Financial Statements

December 31, 2021

Childrens Advocacy Center - Hope House
Table of Contents

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Independent Auditor's Report

To the Board of Directors
Childrens Advocacy Center - Hope House
Covington, Louisiana

Opinions

We have audited the accompanying financial statements of Childrens Advocacy Center - Hope House (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Childrens Advocacy Center - Hope House as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Childrens Advocacy Center - Hope House, 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 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 Childrens Advocacy Center - Hope House's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 Childrens Advocacy Center - Hope House'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 Childrens Advocacy Center - Hope House'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.

To the Board of Directors
Childrens Advocacy Center - Hope House

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of compensation, benefits, and other payments to agency head and schedule of justice system funding – receiving entity, as required by the State of Louisiana, are 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 the schedule 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.

Purcell & Martinez, llc

Covington, Louisiana
June 30, 2022

Financial Statements

Childrens Advocacy Center - Hope House
Statements of Financial Position
December 31, 2021 and 2020

	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents	$ 796,082	$ 629,056
Grants receivable	78,707	102,221
	874,789	731,277
Noncurrent Assets		
Investments	203,611	154,347
Security deposit	850	-
Property and equipment, net	317,788	345,361
	522,249	499,708
	$ 1,397,038	$ 1,230,985
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 1,304	$ 301
Accrued payroll expenses	8,582	3,720
Capital lease obligation, current portion	2,063	2,063
	11,949	6,084
Noncurrent Liabilities		
Capital lease obligation, net of current portion	1,892	3,955
Net Assets		
Without donor restrictions - undesignated	1,383,197	1,220,946
	$ 1,397,038	$ 1,230,985

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

Childrens Advocacy Center - Hope House
Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2021 and 2020

	2021	2020
Public Support and Revenue		
Grants	$ 352,872	$ 372,489
Local government funding	112,996	98,298
Contributions	131,719	265,780
In-kind donations	37,000	37,000
Fundraising	426,012	177,000
Investment returns	20,591	17,162
Interest income	1,475	2,815
Other income	1,970	-
	1,084,635	970,544
Expenses		
Program services		
Children's advocacy	675,601	544,064
Supporting services		
Management and general	168,445	132,860
Fundraising	76,888	36,219
	245,333	169,079
	920,934	713,143
Operating income	163,701	257,401
Non-operating Revenues (Expenses)		
Paycheck Protection Program funding	-	71,848
Loss on disposal of assets	(1,450)	(2,900)
	(1,450)	68,948
Change in net assets without donor restrictions	162,251	326,349
Net assets, beginning of year	1,220,946	894,597
Net assets, end of year	$ 1,383,197	$ 1,220,946

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

Childrens Advocacy Center - Hope House
Statement of Functional Expenses
For the Year Ended December 31, 2021

	Program Services	Supporting Services			
	Children's Advocacy	Management and General	Fundraising	Total Supporting Services	Total
Salaries and related taxes	$ 454,706	$ 64,194	$ 16,048	$ 80,242	$ 534,948
Employee benefits	50,756	7,166	1,791	8,957	59,713
Counseling services and supplies	26,867	-	-	-	26,867
Training	21,499	2,932	-	2,932	24,431
Insurance	8,559	1,208	302	1,510	10,069
Legal and professional	-	12,085	-	12,085	12,085
Lease expense	-	1,161	9,759	10,920	10,920
Administrative expenses	15,972	15,972	37	16,009	31,981
Supplies	13,206	4,532	20,026	24,558	37,764
Dues and subscriptions	480	9,819	-	9,819	10,299
Repairs and maintenance	13,997	1,909	-	1,909	15,906
Depreciation	19,367	2,734	684	3,418	22,785
Telephone	6,387	918	344	1,262	7,649
Utilities	7,185	1,033	387	1,420	8,605
Advertising and promotional items	-	30,538	10,180	40,718	40,718
Meals and entertainment	-	5,819	6,834	12,653	12,653
Travel	14,060	1,985	496	2,481	16,541
In-kind donations	22,560	4,440	10,000	14,440	37,000
	$ 675,601	$ 168,445	$ 76,888	$ 245,333	$ 920,934

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

Childrens Advocacy Center - Hope House
Statement of Functional Expenses
For the Year Ended December 31, 2020

	Program Services	Supporting Services			
	Children's Advocacy	Management and General	Fundraising	Total Supporting Services	Total
Salaries and related taxes	$ 354,391	$ 58,716	$ 6,291	$ 65,007	$ 419,398
Employee benefits	35,126	5,820	624	6,444	41,570
Counseling services and supplies	29,562	-	-	-	29,562
Training	11,626	1,893	-	1,893	13,519
Insurance	8,391	1,390	149	1,539	9,930
Legal and professional	-	10,680	-	10,680	10,680
Lease expense	-	948	-	948	948
Administrative expenses	9,629	9,629	-	9,629	19,258
Supplies	10,831	4,827	18,817	23,644	34,475
Dues and subscriptions	679	4,447	-	4,447	5,126
Repairs and maintenance	16,067	2,616	-	2,616	18,683
Depreciation	14,480	2,399	257	2,656	17,136
Telephone	3,885	667	214	881	4,766
Utilities	5,833	1,002	322	1,324	7,157
Advertising and promotional items	-	19,385	6,462	25,847	25,847
Meals and entertainment	-	1,315	2,875	4,190	4,190
Travel	11,744	1,946	208	2,154	13,898
In-kind donations	31,820	5,180	-	5,180	37,000
	$ 544,064	$ 132,860	$ 36,219	$ 169,079	$ 713,143

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

Childrens Advocacy Center - Hope House
Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows From Operating Activities		
Operating income	$ 163,701	$ 257,401
Adjustment to reconcile operating income to net cash provided by operating activities		
Depreciation	22,785	17,136
Unrealized gains on investments	(17,784)	(7,191)
Realized gains on investments	-	(8,394)
(Increase) decrease in:		
Grants receivable	23,514	(97,477)
Security deposit	(850)	
Increase (decrease) in:		
Accounts payable	1,003	(2,403)
Accrued payroll expenses	4,862	(14,005)
Net cash provided by operating activities	197,231	145,067
Cash Flows From Investing Activities		
Maturities (purchases) of certificates of deposits	(1,424)	228,438
Sales and maturities of investments	35,620	108,744
Purchases of investments	(65,676)	(51,577)
Proceeds / refund from return of asset	13,331	-
Purchases of property and equipment	(9,993)	(242,876)
Net cash provided by (used in) investing activities	(28,142)	42,729
Cash Flows From Financing Activities		
Proceeds from Paycheck Protection Program	-	71,848
Payments on capital lease obligation	(2,063)	(2,064)
Net cash provided by (used in) financing activities	(2,063)	69,784
Net change in cash and cash equivalents	167,026	257,580
Cash and cash equivalents, beginning balance	629,056	371,476
Cash and cash equivalents, ending balance	$ 796,082	$ 629,056

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

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations
Childrens Advocacy Center - Hope House (the "Center"), formally known as St. Tammany Children's Advocacy Center, is an independent nonprofit organization formed on May 31, 1994 in the State of Louisiana. The Center is dedicated to ending the cycle of child abuse in the community by providing a path to justice and a bridge to healing for child victims of abuse. The Center provides forensic interviewing, family advocacy, counseling services, and prevention outreach within St. Tammany and Washington Parishes.

Basis of Accounting
The financial statements of the Center have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The supplementary schedule of justice system funding – receiving entity has been prepared on the cash basis as required by Act 87 of Louisiana's 2020 regular legislative session.

Financial Statement Presentation
The financial statements of the Center are presented in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) *Audit and Accounting Guide for Not-for-Profit Organizations* (the "Guide").

Net Assets
Under the provisions of the Guide, the classification of a not-for-profit organization's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the classes of net assets be displayed in the statements of financial position and that the amounts of change in each of those classes of net assets be displayed in the statements of activities. In accordance with U.S. generally accepted accounting principles (U.S. GAAP), the Center reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

- Net assets without donor restriction: net assets available for general use to support operations. The only limits on the use of net assets without donor restriction are broad limits resulting from the nature of the Center, the environment in which it operates, and the purposes specified in its corporate documents.

- Net assets with donor restriction: net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or programmatic purposes specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications
Certain revenue and expense accounts in the prior year financial statements have been reclassified to conform to the presentation in the current year financial statements. These reclassifications had no effect on net assets.

Functional Allocation of Expenses
The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents certain categories of expenses that are attributable to both program services and supporting activities. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries are allocated on the basis of estimates of time and effort and other natural costs are allocated on the basis of management identification based on observation and professional evaluation of the direct benefit of the cost to a particular program function or supporting function.

Cash and Cash Equivalents
For financial statement purposes, cash includes demand deposits and cash equivalents include amounts in money market funds. All highly liquid investments with an original maturity of three months or less are considered cash equivalents.

Investments
Investments consist of certificates of deposit, money market funds, and pooled investments and are carried at fair value. Purchases and sales of investments are recorded on trade dates and realized gains and losses are determined on the basis of average cost of securities sold. Investment return includes interest, dividends, administrative fees, and realized and unrealized gains and losses, and is included in the statement of activities and changes in net assets as investment returns or losses in net assets without donor restrictions.

Accounts Receivable
Accounts receivable consists of fees due from a local governmental entity. Management periodically reviews the status of all accounts receivable balances for collectability. Each receivable balance is assessed based on management's knowledge of the customer, the Center's relationship with the customer, and the age of the receivable balance. As a result of these reviews, customer balances deemed to be uncollectible are charged to the allowance for doubtful accounts. Management has deemed all balances to be collectible at December 31, 2021 and 2020; therefore, no allowance for doubtful accounts has been reported.

Property and Equipment
Property and equipment with a cost in excess of $1,000 and a projected useful life exceeding one year are capitalized and recorded at cost. Depreciation and amortization on property and equipment is computed using the straight-line method over the estimated useful lives of the related assets as follows:

Buildings and improvements	15 - 39 years
Computers and equipment	5 - 7 years
Furniture and fixtures	5 - 10 years

Repairs and maintenance costs are expensed as incurred. Upon the retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the respective accounts and any resulting gain or loss is included in revenues or expenses.

Grants and Contributions
The Center follows ASC Subtopic 958-605, *Revenue Recognition*, to recognize cash contributions from individuals and domestic organizations. These contributions, including unconditional promises, are recognized as revenue when the donor's unconditional commitment is received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions.

When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions with donor restrictions which are fulfilled in the time period in which the contribution is received are recorded as net assets without donor restrictions in the financial statements. Conditional promises to give are recognized only when the conditions on which they depend are substantially met.

In-Kind Donations
In-kind donations consist of items provided by donors for the Center's daily operations and fundraising events. These items are recorded as support at their estimated fair value at the date of donation. The amounts reflected in the accompanying financial statements as in-kind donations are offset by like amounts included in expenses.

Contributed Services
A number of volunteers have donated significant time to the Center's operations relating to children's advocacy, administrative assistance, and fundraising events. The value of donated volunteer services is not recorded to the financial statements since no objective basis is available to measure the value of such services.

Advertising Costs
Advertising costs are expensed as incurred and allocated among the programs and supporting services benefited within the operating services and supplies line item on the statement of functional expenses. Advertising expenses were $40,718 for the year ended December 31, 2021 and $25,847 for the year ended December 31, 2020.

Employee Retirement Benefits
The Center provides a defined contribution retirement plan (the "Plan") that is a savings plan operating under Section 401(k) of the Internal Revenue Code for all employees who are over the age of 21. The purpose of the Plan is to provide retirement benefits for participating employees. Under the Plan, the Center matches up to three percent of employee payroll of covered employees. The contributions, together with voluntary employee contributions, are invested by a third-party investment advisory company, the rights to which immediately vest with the employees. The Center reported contributions to the Plan of $10,828 for the year ended December 31, 2021 and $9,936 for the year ended December 31, 2020.

Income Taxes
The Center has been recognized by the Internal Revenue Service as an organization exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in these financial statements. With few exceptions, the Center is no longer subject to federal or state examinations by tax authorities for the year before 2018.

The Center follows the provisions of the *Accounting for Uncertainty in Income Taxes* topic of the FASB Codification, which clarifies the accounting and recognition for income tax positions taken or expected to be taken in the Center's information tax returns. Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. Under this guidance, the Center may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. There were no unrecognized tax benefits or obligations identified or recorded for the years ended December 31, 2021 and 2020.

New Pronouncements
In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, *Leases (Topic 842)*. Under ASU 2016-02, leases will continue to be differentiated between finance leases and operating leases. However, the principal difference from previous guidance is that a lessee should recognize a liability to make lease payments (the lease liability) in the statement of financial position and a right-of-use asset representing its right to use the underlying asset for the lease term for financing leases in addition to operating leases with a term of twelve months or more. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is currently evaluating the impact ASU 2016-02 will have on the financial statements.

On September 17, 2020, FASB issued ASU 2020-07 on Topic 958, *Presentation and disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The FASB ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. Under the new standard's requirements, gifts-in-kind are to be presented as a separate line item, instead of remaining grouped among contributions of cash or other financial assets, on the statement of activities.

Additionally, gifts-in-kind are to be disaggregated into categories based on the type of gift received, with the following disclosures made for each category:

- Qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period
- The NFP's policy (if any about monetizing rather than utilizing contributed nonfinancial assets
- A description of any donor-imposed restrictions associated with the contributed
- A description of the valuation techniques and inputs used to arrive at fair value measurement, in accordance with the requirements in Topic 820, Fair Value Measurement, at initial recognition.
- The principal market (or most advantageous market) used to arrive at a fair value measure if it is a market in which the recipient NFP is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets.

The FASB ASU requires the new standard to be applied retrospectively, with amendments taking effect for annual reporting periods beginning after June 15, 2021, and interim periods with annual reporting periods beginning after June 15, 2022. Management is currently evaluating the impact ASU 2020-07 will have on the financial statements.

2. Liquidity and Availability

The Center has $935,537 of financial assets available within one year of the statement of financial position date. The Center strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. As part of this liquidity management, the Center invests cash in excess of daily requirement in deposit savings accounts, money market funds, and certificates of deposit.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise of the following:

	2021	2020
Cash and cash equivalents	$ 796,082	$ 629,056
Grants receivable	78,707	102,221
Investments	203,611	154,347
	$ 1,078,400	$ 885,624

3. Investments

Investments are carried at fair value and are comprised of the following at December 31:

	2021	2020
Certificates of deposit	$ 60,748	$ 59,324
Common stock	26,147	-
Exchanged traded funds	3,765	-
Pooled investments held by Northshore Community Foundation on behalf of the Center	112,951	95,023
	$ 203,611	$ 154,347

The following schedule summarizes investment returns including interest and administrative fees, and its classification in the financial statements for the years ended December 31:

	2021	2020
Unrealized gains on investments	$ 18,728	$ 7,191
Realized gains on investments	-	8,394
Interest and dividend income	2,808	2,381
Investment fees	(945)	(804)
	$ 20,591	$ 17,162

Custodial Credit Risk
The risk that in the event of the failure of the counterparty to a transaction the Center will not be able to recover the value of investments that are in the possession of an outside party. At December 31, 2021 and 2020, the Center's investments in certificates of deposit, money market funds, and external investment pools are not susceptible to custodial credit risk because its existence is not evidenced by securities that exist in physical or book entry form.

4. Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement,* defines fair value and establishes a framework for measuring fair value for assets and liabilities that are measured at fair value on a recurring basis. The Center has categorized its applicable financial instruments into a required fair value hierarchy. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value which are as follows:

- Level 1 – Inputs based on quoted prices (unadjusted) in active markets for identical assets or liabilities accessible at the measurement date.
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets.
- Level 3 – Unobservable inputs for the asset or liability, including the reporting entity's own assumptions in determining the fair value measurement.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The investments in the Northshore Community Foundation pool represent various specific investments and various pools of funds held by Northshore Community Foundation for the benefit of the Center and other non-profit organizations. These funds are measured on a recurring basis through estimates and assumptions made by the Northshore Community Foundation. All of the Center's pooled investments held by the Northshore Community Foundation are considered level 2 investments. Certificates of deposit are valued at amortized cost which approximates fair value and are considered a level 2 investment.

The following table sets forth by level the Center's assets at fair value at December 31, 2021:

	Level 1	Level 2	Level 3	Total
Investments				
Certificates of deposit	$ -	$ 60,748	$ -	$ 60,748
Common stock	26,147	-	-	26,147
Exchange traded funds	3,765	-	-	3,765
Pooled investments	-	112,951	-	112,951
	$ 29,912	$ 173,699	$ -	$ 203,611

The following table sets forth by level the Center's assets at fair value at December 31, 2020:

	Level 1	Level 2	Level 3	Total
Investments				
Certificates of deposit	$ -	$ 59,324	$ -	$ 59,324
Pooled investments	-	95,023	-	95,023
	$ -	$ 154,347	$ -	$ 154,347

5. Property and Equipment

Property and equipment consist of the following at December 31:

	2021	2020
Assets not being depreciated		
Land	$ 20,232	$ 20,232
Assets being depreciated		
Building and improvements	360,403	358,997
Computers and equipment	51,824	72,048
Furniture and fixtures	27,831	27,831
	440,058	458,876
Less: accumulated depreciation	(142,502)	(133,747)
	297,556	325,129
	$ 317,788	$ 345,361

Depreciation expense for the years ended December 31, 2021 and 2020 was $22,785 and $17,136, respectively.

6. Paycheck Protection Program

In May 2020, the Center qualified for and received a loan in the amount of $71,848 from Kabbage Funding pursuant to the Paycheck Protection Program (the "PPP"). The PPP was implemented by the United States Small Business Administration (the "SBA") under the Coronavirus Aid, Relief, and Economic Security Act. The loan bears interest at a fixed rate of 1% per annum. As of December 31, 2020, the full amount of the loan met the conditions set forth by the SBA and was expended in 24 weeks.

The Center has elected to derecognize the PPP loan, and recorded revenue on the statement of activities, as the conditions of the loan were met. As a conditional contribution, the portion of the PPP loan proceeds received prior to incurring qualifying expenditures and meeting the full-time equivalent head count was reported as a refundable advance on the statement of financial position. As of December 31, 2020, all conditions related to recognizing the loan had been met, and no refundable advance was required to be reported. The full PPP loan amount has been forgiven.

7. Non-exchange Transaction

The Center entered into an agreement with First Baptist Church of Bogalusa in May 2009 for the use of its premises at no costs until canceled by either party. The facility is to be used by the Center's counselors to provide services to children in Washington Parish, Louisiana. The Center is responsible for an allocated portion of utilities.

8. Capital Lease Obligation

The Center is the lessee of a copier under a capital lease and is obligated under the lease through November 2023. The asset and liability under the lease are recorded at the present value of the minimum lease payments totaling $10,317. The asset is amortized over the lease term of 60 months at $172 per month. The accumulated amortization was $6,534 as of December 31, 2021. Future minimum lease payments under the capital lease are as follows:

December 31:	Amount
2022	$ 2,063
2023	1,892
	$ 3,955

Amortization expense was $2,063 for the year ended December 31, 2021 and $2,064 for the year ended December 31, 2020 and included in depreciation expense on the statement of functional expenses.

9. Concentrations of Credit Risk

Financial instruments that potentially subject the Center to significant concentrations of credit risk consist of cash and cash equivalents. The Center maintains cash and certificate of deposit balances in financial institutions which may, at time, exceed Federal Deposit Insurance Corporation (FDIC) limits. The Center has not experienced any losses in these accounts and does not believe it is exposed to any significant custodial credit risk related to these accounts. The Center implemented a policy to allocate deposits to minimize the likelihood of deposits exceeding the FDIC limits.

10. Subsequent Events

Management has evaluated subsequent events through June 30, 2022, which is the date the financial statements were available to be issued.

Supplementary Information

Childrens Advocacy Center - Hope House
Schedule of Compensation, Benefits, and Other Payments to Executive Director
For the Year Ended December 31, 2021

Agency Head: Thomas Mitchell
Position: Executive Director

Purpose	Amount
Salary	$ 92,500
Bonus	1,000
Benefits - insurance	4,800
Benefits - retirement	2,775
Expense reimbursements	3,353
Conference travel	1,050
Professional licenses and education	450
	$ 105,928

Louisiana Revised Statute (R.S.) 24:513 A. (3) requires virtually every local auditee report that is submitted to the Louisiana Legislative Auditor to include a schedule of compensation, benefits, and other payments to the agency head. The compensation, benefits, and other payments that are to be reported on this schedule include travel, unvouchered expenses, per diem, registration fees, reimbursements, etc. and is presented on an accrual basis.

Childrens Advocacy Center - Hope House
Schedule of Justice System Funding – Receiving Entity
For the Year Ended December 31, 2021

Receipts From	First Six Month Period Ended 06/30/21	Second Six Month Period Ended 12/31/21	Total Receipts
St. Tammany Parish Sheriff's Office			
Bail Bond Fees	$ 41,411	$ 38,266	$ 79,677

Schedule is required by Act 87 of Louisiana's 2020 Regular Legislative Session and is presented on a cash basis

Agreed-Upon Procedures

(As required by Act 774 of the 2014 Legislative Session)

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Independent Accountant's Report on
Applying Agreed-Upon Procedures

To the Board of Directors
Childrens Advocacy Center - Hope House
Covington, Louisiana

We have performed the procedures enumerated below, solely to assist the users in assessing certain controls and in evaluating management's assertions about Childrens Advocacy Center - Hope House's (the "Center") compliance with certain laws and regulations during the period of January 1, 2021 through July 31, 2021. The Center's management is responsible for its financial records, establishing internal controls over financial reporting, and compliance with applicable laws and regulations.

The Center and the Legislative Auditor, State of Louisiana have agreed and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement. 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 procedure performed are appropriate for the purposes.

The procedures and the associated findings are as follows:

Bank Reconciliations

1. Obtain and inspect the entity's written policies and procedures over bank reconciliations and observe that they address (1) monthly bank statement reconciliations, (2) review of all bank reconciliations by someone independent of cash receipt and disbursement functions, and (3) process for addressing items outstanding for more than 12 months from the statement closing date, if applicable.

2. 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);

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

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

Results: No exceptions noted.

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

1. Obtain and inspect the entity's written policies and procedures over travel and expense reimbursements and observe that they address (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

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

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

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

   c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

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

Results: No exceptions noted.

Summary of Results

No exceptions noted.

We were engaged by the Center to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 assessing certain controls and evaluating management's assertions about the Center's compliance with certain laws and regulations. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of management of the Center and the Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Pircell & Martinez, llc

Covington, Louisiana
June 30, 2022