

CHILDREN'S BUREAU OF NEW ORLEANS

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS AND WITH THE UNIFORM GUIDANCE

Year Ended June 30, 2020

CHILDREN'S BUREAU OF NEW ORLEANS

Year Ended June 30, 2020

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INDEPENDENT AUDITOR'S REPORT

President/CEO and Board of Directors
Children's Bureau of New Orleans
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Children's Bureau of New Orleans (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

**President/CEO and Board of Directors
Children's Bureau of New Orleans**

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Children's Bureau of New Orleans as of June 30, 2020, 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.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, as required by Louisiana Revised Statute 24:513 A. (1) (a) (3), is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 18, 2020, on our consideration of Children's Bureau of New Orleans' 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 Children's Bureau of New Orleans' internal control over financial reporting or on compliance. That report is an integral

**President/CEO and Board of Directors
Children's Bureau of New Orleans**

part of an audit performed in accordance with *Government Auditing Standards* in considering Children's Bureau of New Orleans' internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the Children's Bureau of New Orleans' 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 30, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in blue ink that reads "Paciera, Gautreau & Priest, LLC". The signature is written in a cursive style.

Metairie, Louisiana
December 18, 2020

**PACIERA, GAUTREAU & PRIEST, LLC
CERTIFIED PUBLIC ACCOUNTANTS**

CHILDREN'S BUREAU OF NEW ORLEANS
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020
With Summarized Financial Information
at June 30, 2019

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$516,559	\$ 44,368
Accounts receivable	278,983	370,801
Contributions receivable	70,000	70,000
Prepaid expenses and deposit	<u>19,443</u>	<u>21,473</u>
<i>Total Current Assets</i>	884,985	506,642
Property and equipment, Net	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u>\$884,985</u>	<u>\$506,642</u>
 <u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable	\$ 7,319	\$169,714
Accrued expense	42,193	44,874
Other liabilities	50,564	111,062
Deferred revenue	0	76,749
Line of credit	<u>89,000</u>	<u>113,000</u>
<i>Total Current Liabilities</i>	<u>189,076</u>	<u>515,399</u>
 <u>LONG-TERM LIABILITIES</u>		
Loans payable	<u>510,526</u>	<u>0</u>
<i>Total Liabilities</i>	<u>699,602</u>	<u>515,399</u>
 <u>NET ASSETS (DEFICIT)</u>		
Without donor restrictions	37,651	(88,757)
With donor restrictions	<u>147,732</u>	<u>80,000</u>
<i>Total Net Assets</i>	<u>185,383</u>	<u>(8,757)</u>
<i>Total Liabilities and Net Assets</i>	<u>\$884,985</u>	<u>\$506,642</u>

See accompanying notes to financial statements.

CHILDREN'S BUREAU OF NEW ORLEANS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020
With Summarized Financial Information
for the Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
<u>SUPPORT, REVENUE, GAINS AND LOSSES</u>				
Contributions and private grants	\$ 263,132	\$ 85,000	\$ 348,132	\$ 146,849
Fees and grants from governmental agencies	1,497,450	0	1,497,450	1,311,998
Program service fees	1,020,259	0	1,020,259	1,423,548
Resource development	59,990	0	59,990	79,387
United Way contributions:				
Allocation	0	70,000	70,000	70,000
Designations	1,257	0	1,257	4,734
Other	65,904	0	65,904	41,668
Net assets released from restrictions	87,268	(87,268)	0	0
 Total Support, Revenue, Gains and Losses	 2,995,260	 67,732	 3,062,992	 3,078,184
 <u>EXPENSES</u>				
Program services:				
Child and Family Counseling:				
Counseling	77,074	0	77,074	12,180
Loss and Survival Team	1,294,406	0	1,294,406	1,144,365
Mental Health Rehabilitation	453,793	0	453,793	847,003
Project Connect	445,583	0	445,583	564,732
	2,270,856	0	2,270,856	2,568,280
 Quality Start	 190,520	 0	 190,520	 230,072
	2,461,376	0	2,461,376	2,798,352
 Supporting services:				
Management and general	387,202	0	387,202	226,327
Resource development	20,274	0	20,274	95,601
	407,476	0	407,476	321,928
 Total Expenses	 2,868,852	 0	 2,868,852	 3,120,280
 <u>CHANGE IN NET ASSETS</u>	 126,408	 67,732	 194,140	 (42,096)
Net Assets (Deficit) - Beginning of Year	(88,757)	80,000	(8,757)	33,339
Net Assets (Deficit) - End of Year	\$ 37,651	\$ 147,732	\$ 185,383	(8,757)

CHILDREN'S BUREAU OF NEW ORLEANS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020
With Summarized Financial Information
for the Year Ended June 30, 2019

	Program Services				
	Child and Family Counseling				
	Counseling	Loss and Survival Team	Mental Health Rehabil- itation	Project Connect	Total Child and Family Counseling
Salaries	\$ 68,026	\$ 1,044,944	\$ 352,396	\$ 359,612	\$ 1,824,978
Employees' retirement benefits and medical insurance	1,983	65,464	25,636	22,888	115,971
Payroll taxes and worker's compensation	4,803	97,225	31,113	31,400	164,541
Total Employee Compensation	74,812	1,207,633	409,145	413,900	2,105,490
Bad debt (recoveries)	0	0	0	0	0
Bank fees and interest	16	212	33	33	294
Building and equipment maintenance	92	4,105	185	185	4,567
Computer services	55	1,001	18,506	19,582	39,144
Conferences and meetings	27	590	53	53	723
Insurance	300	3,905	601	601	5,407
Membership dues	0	0	0	0	0
Miscellaneous	0	26	0	0	26
Occupancy	222	28,736	443	2,643	32,044
Postage and messenger service	0	115	26	0	141
Printing and publications	0	0	0	0	0
Professional fees and contract service payments	1,196	15,596	20,319	5,957	43,068
Special events	0	0	0	0	0
Supplies	99	11,464	198	558	12,319
Telephone	255	7,956	1,111	1,171	10,493
Travel and other transportation	0	13,067	3,173	900	17,140
Total Expenses	\$ 77,074	\$ 1,294,406	\$ 453,793	\$ 445,583	\$ 2,270,856

See accompanying notes to financial statements.

Supporting Services

Quality Start	Total Program Services	Management and General	Resource Development	Total Supporting Services	Total Program and Supporting Services Expenses	
					2020	2019
\$ 162,513	\$ 1,987,491	\$ 127,590	\$ 0	\$ 127,590	\$ 2,115,081	\$ 2,253,772
10,398	126,369	1,941	0	1,941	128,310	160,833
<u>12,959</u>	<u>177,500</u>	<u>19,599</u>	<u>0</u>	<u>19,599</u>	<u>197,099</u>	<u>184,183</u>
185,870	2,291,360	149,130	0	149,130	2,440,490	2,598,788
0	0	(16,566)	0	(16,566)	(16,566)	63,212
33	327	6,339	0	6,339	6,666	13,902
185	4,752	12,254	0	12,254	17,006	8,122
110	39,254	5,500	16	5,516	44,770	40,501
53	776	3,222	0	3,222	3,998	5,832
601	6,008	18,842	0	18,842	24,850	32,661
125	125	1,770	0	1,770	1,895	1,363
0	26	1,339	0	1,339	1,365	6,025
443	32,487	91,659	0	91,659	124,146	135,460
0	141	698	0	698	839	578
0	0	61	0	61	61	244
2,391	45,459	85,763	0	85,763	131,222	102,539
0	0	0	20,232	20,232	20,232	27,776
198	12,517	1,995	26	2,021	14,538	10,918
511	11,004	15,578	0	15,578	26,582	28,687
<u>0</u>	<u>17,140</u>	<u>9,618</u>	<u>0</u>	<u>9,618</u>	<u>26,758</u>	<u>43,672</u>
<u>\$ 190,520</u>	<u>\$ 2,461,376</u>	<u>\$ 387,202</u>	<u>\$ 20,274</u>	<u>\$ 407,476</u>	<u>\$ 2,868,852</u>	<u>\$ 3,120,280</u>

CHILDREN'S BUREAU OF NEW ORLEANS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2020
With Summarized Financial Information
for the Year Ended June 30, 2019

	<u>2020</u>	<u>2019</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 194,140	\$ (42,096)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
(Increase) decrease in operating assets:		
Accounts receivable	91,818	(109,444)
Contributions receivable	0	25,000
Prepaid expenses and deposits	2,030	6,886
Increase (decrease) in operating liabilities:		
Accounts payable	(162,395)	9,366
Accrued expenses	(2,681)	7,826
Deferred revenue	<u>(76,749)</u>	<u>76,749</u>
Net Cash Provided by (Used for) Operating Activities	<u>46,163</u>	<u>(25,713)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Payment on line of credit	(24,000)	0
Advances from related parties	0	76,579
Payments of advances from related parties	(60,498)	(27,600)
Debt proceeds	<u>510,526</u>	<u>0</u>
Net Cash Provided by Financing Activities	<u>426,028</u>	<u>48,979</u>
Net Increase in Cash and Cash Equivalents	472,191	23,266
Cash and Cash Equivalents -		
Beginning of Year	<u>44,368</u>	<u>21,102</u>
End of Year	<u>\$ 516,559</u>	<u>\$ 44,368</u>
<u>Supplemental Schedule of Cash Flow Information</u>		
Cash paid during the year for:		
Interest	<u>\$ 5,908</u>	<u>\$ 10,456</u>
Income taxes	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes to financial statements.

CHILDREN'S BUREAU OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

A. Description of Organization

Children's Bureau of New Orleans ("Children's Bureau") is a private, non-profit agency that offers a variety of counseling services to children and families in the New Orleans Metropolitan Area.

B. Description of Program and Supporting Services

The following program and supporting services are included in the accompanying financial statements:

Child and Family Counseling:

Counseling

Individual, family, and group therapy is offered for children from birth to 17 years of age and their families. Areas of concern include but are not limited to anger management, school behavior problems, parent-child relational difficulties, and the effects of abuse, domestic violence, or other traumatic events.

Loss and Survival Team

Children's Bureau's Project LAST is designed to meet the special needs of children and families impacted by grief and trauma, including the loss of a loved one by natural cause; accident or violent death; exposure to natural disaster; and being a witness or victim of violence or abuse. Project LAST offers individual, family and group interventions that are valid and proven to be effective. Our social workers are trained in our own evidence-based 10-week Grief and Trauma Intervention (GTI). GTI was designed after many years of working with New Orleans area children and youth, and has been repeatedly shown to be effective in reducing traumatic stress and depressive symptoms in children who have completed the intervention. Children ages birth to 17 are eligible. Project LAST services are community-based and take place in homes, schools and other community locations.

Mental Health Rehabilitation

The Mental Health Rehabilitation (MHR) program at Children's Bureau offers services for children ages birth to 17 who are having emotional or behavioral problems at school or at home. The program also assists families as they cope with the difficulties they face in helping their children recover. The goals of the program are improving children's ability to function during a crisis, ability to function at home or in school in spite of emotional or behavioral issues, ability to respond well in different life situations, reduce or prevent psychiatric hospitalizations, and increase the chances that a child will remain in school and follow the rules. The child must be Medicaid-eligible in order to receive MHR Services.

CHILDREN'S BUREAU OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2020

Description of Program and Supporting Services (Continued)

Project Connect

Project Connect is a program which partners Children's Bureau with public schools and embeds behavioral health clinics within the school site to ensure that 1) Students and families have access to, and are consistently receiving, quality behavioral health services 2) Behavioral health services for the student are coordinated between, and reinforced by, both school and mental health staff; and 3) Schools have access to the resources and expertise of a mental health agency.

Quality Start

Children's Bureau is providing Mental Health Consultation Services to child care centers in the New Orleans region as part of the Quality Start program, a State initiative to increase the quality of child care in Louisiana. Through this program, mental health consultants, with specialized knowledge of young children, work with child care centers to enhance their ability to contribute to the emotional, social and academic development of children in their care.

Management and General

Management and general includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of the Children's Bureau's program strategy through the Office of the Executive Director; secure proper administrative functioning of the Board of Directors; maintain competent professional services for the program administration of the Children's Bureau; and manage the financial and budgetary responsibilities of the Children's Bureau.

Resource Development

Resource and development provides the structure necessary to encourage and secure financial support from individuals, foundations, and corporations.

C. Summary of Significant Accounting Policies

Basis of Accounting

Children's Bureau prepares its financial statements on the accrual basis of accounting and, accordingly, reflects all significant receivables, payables, and other liabilities.

CHILDREN'S BUREAU OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2020

Summary of Significant Accounting Policies (Continued)

Basis of Presentation

Children's Bureau reports information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions

Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

Net Assets With Donor Restrictions

Assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of Children's Bureau. Certain restrictions may need to be maintained in perpetuity.

Prior Year Summarized Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with Children's Bureau's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

Cost Allocation

The financial statements report certain categories of expenses that are attributable to more than one program of supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries, employee benefits, payroll taxes, utilities and insurance are allocated on the basis of estimates of time and effort.

Estimates

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

CHILDREN'S BUREAU OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2020

Summary of Significant Accounting Policies (Continued)

Cash, Cash Equivalents, and Restricted Cash

For the purpose of the Statement of Cash Flows, Children's Bureau considers cash, cash equivalents, and restricted cash to be amounts on hand and on deposit, as well as investment instruments purchased with an original maturity of three months or less.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position that sum to the same such amounts shown in the statement of cash flows:

Cash and cash equivalents	\$516,559
Restricted cash	<u>0</u>
Total cash, cash equivalents, and restricted cash	<u>\$516,559</u>

Property and Equipment

Children's Bureau capitalizes all expenditures for property and equipment in excess of \$1,000. Purchased property and equipment is carried at cost. Donated property and equipment is carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the useful life of the related assets. The useful lives of Children's Bureau's assets range between five and ten years.

Contributions

Contributions received are recorded as support without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Donor support in the form of cash and other assets is reported as support with donor restrictions if it is received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, 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.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions.

CHILDREN'S BUREAU OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2020

Summary of Significant Accounting Policies (Continued)

Contributions (Continued)

Absent donor stipulations regarding how long those donated assets must be maintained, Children's Bureau reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Children's Bureau reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Donated services are recorded that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Fair Value of Financial Instruments

Generally accepted accounting principles requires a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

CHILDREN'S BUREAU OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2020

Summary of Significant Accounting Policies (Continued)

Income Taxes

The agency is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and comparable state law, and contributions to it are tax deductible within the limitations prescribed by the Code.

Children's Bureau's Federal Exempt Organization tax returns are subject to possible examination by the taxing authorities until the expiration of the related statutes of limitation on those tax returns. In general, the Federal tax returns have a three-year statute of limitation.

Subsequent Events

Subsequent events have been evaluated through December 18, 2020, which is the date the financial statements were available to be issued.

D. Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense, and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. There is no allowance at June 30, 2020 and the bad debt recovery was \$16,566 for the year ended June 30, 2020. The accounts receivable are pledged to secure the line of credit (see note L).

E. Contributions Receivable

Contributions receivable at June 30, 2020 consists of \$70,000 from the United Way. The receivable balance is unconditional and due within one year.

F. Property and Equipment

Property and equipment consists of the following:

Furniture and fixtures	\$ 7,486
Equipment	3,494
Leasehold improvements	17,410
Software	<u>5,744</u>
	34,134
Less: Accumulated depreciation and amortization	<u>34,134</u>
<i>Total Property and Equipment</i>	\$ <u>0</u>

Depreciation expense for the fiscal year ended June 30, 2020 was \$-0-.

CHILDREN'S BUREAU OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2020

G. Fair Value Measurements

Fair values of financial instruments measured on a recurring basis at June 30, 2020 are as follows:

	Fair Value Measurements at Reporting Date Using:			
	Quoted Prices In Active Markets for Identical Assets Fair Value (Level 1)	(Level 1)	Significant Inputs: Other Unobserv- Observable able (Level 2)	(Level 3)
Financial Liabilities:				
Line of Credit	\$ 89,000	\$ 0	\$ 89,000	\$ 0
Loans Payable	<u>510,526</u>	<u>0</u>	<u>510,526</u>	<u>0</u>
Total	<u>\$599,526</u>	<u>\$ 0</u>	<u>\$599,526</u>	<u>\$ 0</u>

Management estimates that the fair value of the obligation under loans and the line of credit approximates the carrying value by reference to similar liabilities with similar interest rates and similar repayment terms.

H. Net Assets With Donor Restrictions

Net assets with donor restrictions totaling \$147,732 are for program services, Child and Family Counseling, that will occur subsequent to June 30, 2020.

For the year ended June 30, 2020, net assets in the amounts of \$87,268 were released from donor restrictions for Child and Family Counseling by incurring program expenses and providing services satisfying the purpose restrictions specified by donors.

I. Concentrations

Cash and Cash Equivalents

Children's Bureau maintains deposits in financial institutions that at times exceed the insured amounts of \$250,000 provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The excess amount at June 30, 2020 is \$212,304. Children's Bureau believes it is not exposed to any significant credit risk to cash.

CHILDREN'S BUREAU OF NEW ORLEANS
 NOTES TO FINANCIAL STATEMENTS
 (Continued)
JUNE 30, 2020

Concentrations (Continued)

Support and Revenue

Children's Bureau receives a substantial portion of its support and revenue from government grants and Medicaid program service billings. Thus, its funding is vulnerable to changes in the legislative priorities of federal and state governments. For the year ended June 30, 2020, these revenue sources comprised the following percentages of total support:

Medicaid related programs	25%
Federal grants	36
State grants	<u>13</u>
<i>Total Concentration</i>	<u>74%</u>

J. Simple IRA Plan

Children's Bureau has a Simple IRA plan covering all employees over 21 years old having at least one year of service and exceeding 1,000 hours of service. Contributions to the plan are at the discretion of the Board of Directors. The recorded expense was \$12,522 for the year ended June 30, 2020.

K. Leases

Children's Bureau has an operating lease for building space. This lease calls for monthly rents of \$10,622, was extended for a period of five years commencing July 11, 2016 and expires on July 10, 2021.

Future minimum commitments under noncancellable operating leases having initial or remaining terms in excess of one year as of June 30, 2020 for each of the next five years and in the aggregate are:

Year ending June 30,	Amount
2021	\$127,465
2022	0
2023	0
2024	0
2025	<u>0</u>
	<u>\$127,465</u>

Rental expense under all operating leases for fiscal year ended June 30, 2020 was \$124,146.

CHILDREN'S BUREAU OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2020

L. Debt

Children's Bureau has a line of credit with a bank for up to \$120,000. The stated interest rate is 7.5%. There was a balance due of \$89,000 at June 30, 2020. The line matures March 30, 2021. The line of credit is secured with accounts receivable (see note D).

On May 7, 2020 Children's Bureau received loan proceeds from the Paycheck Protection Program (PPP). Established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), the PPP provides for loans to qualifying businesses in amounts up to 2.5 times the business's average monthly payroll expenses. PPP loans and accrued interest are forgivable after a "covered period" (eight or 24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period.

Children's Bureau also received an Economic Injury Disaster Loan (EIDL) advance of \$10,000. The Small Business Administration will deduct the amount of the EIDL advance from the eligible forgiveness amount.

To the extent that Children's Bureau is not granted forgiveness, Children's Bureau will be required to pay interest on the PPP loan at a rate of 1% per annum. If the application for forgiveness is not made within 10 months of the end of the covered period, payments of principal and interest will be required through the maturity date of the loan.

Children's Bureau has recorded a loan payable and will record forgiveness upon being legally released from the loan obligation. No forgiveness income has been recorded for the year ended June 30, 2020.

Interest expense for the year was \$5,908.

CHILDREN'S BUREAU OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2020

M. Resource Development Expense

Resource development expenses relate to fund-raising activities and special events. The total resource development revenues and expenses for the year were \$59,990 and \$20,274, respectively. The fund-raising revenues and expenses related to the special events totaled \$53,698 and \$20,232, respectively.

N. Related Party Transactions

During a previous year, Children's Bureau was provided cash advances by a former officer. These cash advances were for short-term cash needs. Advances are paid back when funds are available. During the year, \$60,498 was repaid. As of June 30, 2020, there was an outstanding balance of \$14,000. These advances are included in 'Other Liabilities' on the Statement of Financial Position.

O. Liquidity and Availability of Financial Assets

The following reflects Children's Bureau's financial assets as of June 30, 2020, 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.

	<u>2020</u>
Financial Assets	\$865,542
Less: Amounts unavailable for general expenditures within one year due to:	
Donor-restrictions for specified purposes	<u>147,732</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$717,810</u>

As part of its liquidity management, Children's Bureau has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due.

P. Company Conditions

Children's Bureau had net decreases in net assets for several prior years that resulted in a net deficiency in net assets without donor restrictions at July 1, 2019. Management's plans to aggressively bid contracts, reduce expenses, and obtain debt financing have resulted in an improved financial condition. At June 30, 2020, Children's Bureau had \$37,651 of net assets without donor restrictions.

CHILDREN'S BUREAU OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2020

Q. Recently Adopted Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. ASU 2016-15 clarifies the classification of certain cash receipts and payments in the Statement of Cash Flow. The new standard was effective for Children's Bureau's year beginning after December 31, 2018 and was applied on a retrospective basis. This had no effect on any of the prior period information.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows - Restricted Cash*, that requires the inclusion of restricted cash and restricted cash equivalents with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. Children's Bureau adopted ASU 2016-18 effective July 1, 2018, which resulted in the inclusion of Children's Bureau's restricted cash balances along with cash and cash equivalents in Children's Bureau's statement of cash flows. ASU 2016-18 was applied retrospectively to all periods presented. This had no effect on any of the previously reported balances.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958) Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This update is to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. Children's Bureau adopted ASU 2018-08 effective July 1, 2019. The prospective adoption of this pronouncement did not result in any cumulative effect adjustments to Net Assets on July 1, 2019.

R. Contingency - COVID-19

During March 2020, the World Health Organization declared the novel coronavirus (COVID-19) outbreak a global pandemic. As a result of the ongoing pandemic, economic uncertainties have arisen that could impact Children's Bureau's operational and financial performance. The potential impact has not been recognized in these financial statements.

SUPPLEMENTARY INFORMATION

CHILDREN'S BUREAU OF NEW ORLEANS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2020

Federal Grantor Pass-through Grantor <u>Program or Cluster Title</u>	Federal CFDA <u>Number</u>	Pass-through Entity <u>Identifying</u> <u>Number</u>	Total Federal Expend- <u>itures</u>
Department of Justice			
Louisiana Commission of Law Enforcement <u>Crime Victim Assistance</u>	16.575	2018-VA- 01/02/03/04 4971	\$ 137,398
		2018-VA- 01/02/03/04 4973	95,257
		2017-VA-01/04 4386	78,022
		2018-VA-03 4974	80,899
		2018-VA- 02/03/04 4970	253,703
		2018-VA-03 4972	<u>57,144</u>
Total Department of Justice			\$ <u>702,423</u>
Department of Health and Human Services			
Louisiana Department of Health and Hospitals Office of Public Health <u>Maternal and Child Health</u> <u>Services Block Grant to the</u> <u>States</u>	93.994	LA GOV 2000357694	<u>156,659</u>
The Administrators of the Tulane Educational Fund d/b/a Department of Psychiatry and Behavioral Sciences Childcare and Development Fund Cluster:			
<u>Child Care and Development</u> <u>Block Grant</u>	93.596	TUL-HSC-557624- 19/20	125,903
<u>Child Care Mandatory and</u> <u>Matching Funds of the Child</u> <u>Care and Development Fund</u>	93.575	TUL-HSC-557624- 19/20	<u>125,902</u>
Total Childcare and Development Fund Cluster			<u>251,805</u>
Total Department of Health and Human Services			<u>408,464</u>
Total Expenditures of Federal Awards			<u>\$1,110,887</u>

CHILDREN'S BUREAU OF NEW ORLEANS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020

A. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Children's Bureau of New Orleans, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

B. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

C. Indirect Cost Rate

Children's Bureau of New Orleans did not elect to use the 10 percent de minimis indirect cost rate.

CHILDREN'S BUREAU OF NEW ORLEANS
 SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
 PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
 YEAR ENDED JUNE 30, 2020

<u>Purpose</u>	<u>Agency Head Name:</u>		
	<u>Paulette Carter- Garretson</u>	<u>Charlotte Cunliffe</u>	<u>Joy Banks</u>
Salary	\$44,604	\$33,750	\$41,588
Benefits-insurance	N/A	N/A	1,275
Benefits-retirement	1,204	N/A	1,248
Car allowance	N/A	N/A	N/A
Vehicle provided by government	N/A	N/A	N/A
Per Diem	N/A	N/A	N/A
Reimbursements	N/A	N/A	N/A
Travel	N/A	N/A	N/A
Registration fees	N/A	N/A	N/A
Conference travel	N/A	N/A	N/A
Continuing professional education fees	N/A	N/A	N/A
Housing	N/A	N/A	N/A
Unvouchered expenses	N/A	N/A	N/A
Special meals	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Total	<u>\$45,808</u>	<u>\$33,750</u>	<u>\$44,111</u>

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

President/CEO and Board of Directors
Children's Bureau of New Orleans
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 Children's Bureau of New Orleans (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 18, 2020.

Internal Control over Financial Reporting

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

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

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

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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Children's Bureau of New Orleans' 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Paciera, Gautreau & Priest, LLC

Metairie, Louisiana
December 18, 2020

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

President/CEO and Board of Directors
Children's Bureau of New Orleans
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Children's Bureau of New Orleans' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Children's Bureau of New Orleans' major federal programs for the year ended June 30, 2020. Children's Bureau of New Orleans' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Children's Bureau of New Orleans' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Children's Bureau of New Orleans' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Children's Bureau of New Orleans' compliance.

Opinion on Each Major Federal Program

In our opinion, Children's Bureau of New Orleans complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of Children's Bureau of New Orleans is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Children's Bureau of New Orleans' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Children's Bureau of New Orleans' internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Paciera, Gautreau & Priest, LLC

Metairie, Louisiana
December 18, 2020

PACIERA, GAUTREAU & PRIEST, LLC
CERTIFIED PUBLIC ACCOUNTANTS

CHILDREN'S BUREAU OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Children's Bureau of New Orleans were prepared in accordance with GAAP.
2. No significant deficiencies related to the audit of the financial statements are reported in the 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*. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of Children's Bureau of New Orleans, which is required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. No significant deficiencies related to the audit of the major federal award programs are reported in the Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance. No material weaknesses are reported.
5. The auditor's report on compliance for the major federal award programs for Children's Bureau of New Orleans expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule.
7. The program tested as major programs was:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
16.575	Crime Victim Assistance

8. The threshold for distinguishing Type A and B programs was \$750,000.
9. Children's Bureau of New Orleans was not determined to be a low-risk auditee.

CHILDREN'S BUREAU OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)
YEAR ENDED JUNE 30, 2020

FINDINGS-FINANCIAL STATEMENTS AUDIT

There were no audit findings required to be reported.

FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAMS AUDIT

There were no audit findings required to be reported.

CHILDREN'S BUREAU OF NEW ORLEANS
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2020

FINDINGS-FINANCIAL STATEMENTS AUDIT

Finding number:

2019-001 - Timely and accurate reconciliation of Medicaid accounts receivable listing to the general ledger.

Condition:

Children's Bureau of New Orleans did not perform a timely and accurate reconciliation of the Medicaid accounts receivable listing to the general ledger at June 30, 2019.

Recommendation:

Children's Bureau should implement procedures to ensure timely and accurate reconciliation of the Medicaid accounts receivable listing to the general ledger.

Current Status:

The recommendation was adopted. No similar findings were noted in the 2020 audit.