CAPITAL AREA FAMILY JUSTICE CENTER, INC.

Baton Rouge, Louisiana

Financial Report

Year Ended December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Capital Area Family Justice Center, Inc.
Baton Rouge, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Capital Area Family Justice Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 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.

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 Capital Area Family Justice Center, Inc. as of December 31, 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2021, on our consideration of Capital Area Family Justice Center, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Capital Area Family Justice Center, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Capital Area Family Justice Center, Inc.'s internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
June 28, 2021

FINANCIAL STATEMENTS

CAPITAL AREA FAMILY JUSTICE CENTER, INC.
Baton Rouge, Louisiana

Statements of Financial Position
December 31, 2020

	2020
ASSETS	
Current assets:	
Cash and cash equivalents	$ 246,391
Other receivables	153
Prepaid expenses	4,060
Total current assets	250,604
Non-current assets:	
Secuity Deposit	11,081
Furniture, Fixtures, and Equipment, net	123,514
Total non-current assets	134,595
Total assets	$ 385,199
LIABILITIES AND NET ASSETS	
Current liabilities:	
Accounts Payable	$ 1,235
Other liabilities	270
Total current liabilities	1,505
Net assets:	
Without donor restrictions	383,694
Total liabilities and net assets	$ 385,199

The accompanying notes are an integral part of this statement.

CAPITAL AREA FAMILY JUSTICE CENTER, INC.
Baton Rouge, Louisiana

Statement of Activities
For The Years Ended December 31, 2020

	2020
Changes in Net Assets Without Donor Restrictions:	
Revenues, Gains, and Other Support	
Fees and Grants from Governmental Agencies	$ 653,246
Expenses:	
Program Services	249,242
Supporting Services:	
Management and general	88,992
Total Expenses	338,234
Change in net assets without donor restrictions	315,012
Net assets, beginning of year	68,682
Net assets, end of year	$ 383,694

The accompanying notes are an integral part of this statement.

CAPITAL AREA FAMILY JUSTICE CENTER, INC.
Baton Rouge, Louisiana

Statement of Functional Expenses
For the Year Ended December 31, 2020

	Program Services	Support Services	
	Victim Assistance	Administrative and General	Total Expenses
Compensation and Related Expenses			
Salaries	$ 61,094	$ 20,365	$ 81,459
Employee Benefits			
Payroll Taxes	4,673	1,558	6,231
Medical Insurance	4,660	1,553	6,213
	70,427	23,476	93,903
Advertising	2,523	841	3,364
Depreciation	4,860	1,620	6,480
Fund Raising/Special Events	2,867	-	2,867
Information Technology	336	112	448
Insurance	2,141	714	2,855
Interest	-	681	681
Legal and Professional	87,086	29,029	116,115
Miscellaneous	1,396	964	2,360
Postage and printing	-	96	96
Rent	69,906	23,302	93,208
Repairs and Maintenance	-	5,167	5,167
Supplies	6,529	2,176	8,705
Telephone	776	259	1,035
Taxes and licenses	395	-	395
Travel	-	555	555
Totals	$ 249,242	$ 88,992	$ 338,234

The accompanying notes are an integral part of this statement.

CAPITAL AREA FAMILY JUSTICE CENTER, INC.
Baton Rouge, Louisiana

Statements of Cash Flows
For the Year Ended December 31, 2020

	2020
Cash flows from operating activities:	
Change in net assets	$ 315,012
Adjustments to Reconcile Increase in Net Assets to	
Net Cash Flow from Operating Activities:	
Depreciation	6,480
Decrease (increase) in Operating Assets	
Other receivables	(153)
Prepaid Expenses	(4,060)
Increase (decrease) in Operating Liabilities	
Accounts Payable	1,235
Other liabilities	(4,080)
Total Adjustments	(578)
Net Cash Provided By Operating Activities	314,434
Cash flows from investing activities:	
Purchase of Property and Equipment	(129,994)
Net change in cash and cash equivalents	184,440
Cash and cash equivalents, beginning of year	61,951
Cash and cash equivalents, end of year	$ 246,391
Supplementary cash flow information:	
Interest paid	$ 681

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

(1) Summary of Significant Accounting Policies

(A) Nature of Operations

Capital Area Family Justice Center, Inc. (the Organization) is a nonprofit corporation organized under the laws of Louisiana on May 29, 2019. The corporation was formed for the purpose of empowering victims of family violence with resources necessary to maintain safety and stability for themselves and their families. The Organization's mission is "to provide survivors of domestic and dating violence with the opportunity to create safer, more stable lives for themselves and their children by providing in-depth, professionally supported, comprehensive services." The Organization serves the survivors and families of East Baton Rouge and surrounding communities. A Board of Directors manages the operations of the Organization, and those Directors receive no compensation for their services. The Organization is primarily funded through grants from various organizations and agencies as well as contributions from private foundations, corporations, and individuals.

(B) Income Tax Status

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509 (a) of the Code.

(C) Financial Statement Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that will be met, either (1) by incurring expenses satisfying the restricted purpose (purpose restricted), and/or passage of time or other events (time restricted), or (2) will never expire (perpetual in nature). When a 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.

(D) Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. There were no cash equivalents at December 31, 2020.

(E) Receivables

Receivables are stated at unpaid balances. The Organization provides for losses on accounts receivable using the direct write off method. It is the Organization's policy to write off uncollectible receivables when management determines the receivable will not be collected. Generally accepted accounting principles require the accrual of uncollectible receivables through an allowance account. An allowance amount would be immaterial at December 31, 2020.

(F) Furniture, Fixtures and Equipment

Furniture, fixtures, and equipment are valued at historical cost for assets purchased and at fair market value at the date of donation for contributed assets. Donations of furniture, fixtures and equipment are recorded as support at their estimated fair market value and are reported as unrestricted unless the donor has restricted the donated assets for a specific purpose. The Organization maintains a threshold level of $500 or more for capitalizing assets.

(G) Compensated Absences

Employees of the Organization are entitled to paid vacation, paid sick days, and personal days off, depending on job classification, length of service, and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the costs of compensated absences when actually paid to employees.

(H) Revenue and Expense Recognition

Contributions are recognized when the donor makes a commitment to give and are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Restrictions on gifts of fixed assets or cash for the purchase of fixed assets expire when the asset is placed in service. Expenses are recognized in the period incurred in accordance with the accrual basis of accounting.

(I) Financial Awards

Awards are based on funds allocated to the Louisiana Commission on Law Enforcement (LCLE) by the State of Louisiana. Revenues are recorded based on budget appropriations submitted to the LCLE by the Organization. In the statement of activities, these revenues are referred to as Fees and Grants from Governmental Agencies.

(J) Donated Services and Materials

The Organization recognizes donated services that (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. At December 31, 2020, the Organization had no donated goods and supplies or professional services.

(K) Functional Allocation of Expenses

Expenses are summarized and categorized based on their function classification as either program or supporting services. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation based on time used for those functions.

(L) Advertising Costs

The Organization uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising expense was $3,364 for the years ended December 31, 2020.

(M) 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 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.

(2) Furniture, Fixtures and Equipment

The following is a summary of furniture, fixtures and equipment and the corresponding accumulated depreciation for the years ended December 31, 2020:

Leashold improvements	$ 52,593
Furniture and fixtures	39,572
Machinery and equipment	23,869
Software	13,960
Less: Accumulated Depreciation	(6,480)
Furniture, Fixtures and Equipment, net	$123,514

Depreciation is computed using the straight-line method over the estimated useful lives of the individual assets. Furniture, Fixtures, and equipment are depreciated over three to fifteen years. Depreciation expense was $6,480 for the year ended December 31, 2020.

(3) Operating Lease

During 2020, the Organization entered into an operating lease agreement for five years terminating on April 15, 2025, with monthly payments of $11,081. At the termination of the lease, the Organization has three options to extend the term of the lease, each option for an additional five-year period. Payments of $93,208 during December 31, 2020 was recognized as rent expense. Future minimum lease payments are as follows:

Year Ended	Amount
2021	$ 132,972
2022	132,972
2023	132,972
2024	132,972
2025	42,477
	$ 574,365

(4) Financial Instruments

Financial instruments which potentially subject the Organization to concentrations of credit risk include temporary cash investments. The Organization maintains its cash funds in a financial institution. Accounts at this institution are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At December 31, 2020, the Organization did not exceed the insured limits.

(5) Liquidity and Availability of Resources

The Organization's financial assets available within one year of the balance sheet date for general expenditures are as follows:

Cash and Cash Equivalents	$ 246,391

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

(6) Concentration

The Organization received 100% of its total revenue from the Louisiana Commission on Law Enforcement from the State of Louisiana Department of Corrections. The Organization does not expect that the support from this governmental agency will be lost in the near-term; however, a change in this funding could substantially affect the operations of the Organization.

(7) Compensation, Benefits, and Other Payments to Executive Director

A detail of compensation, benefits, and other payments paid to Renee Craft, Executive Director, is as follows:

Purpose	
Salary	$ 81,459
Health Insurance	6,213
Reimbursements	1,035
Total	$ 88,707

(8) Income Taxes

The Organization is a nonprofit organization exempt from Federal and State income taxes. Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the organization and recognize a tax liability (or asset) if the organization has undertaken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the organization, and has concluded that as of December 31, 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The organization is subject to routine audit by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

(9) Line of Credit

In June 2020, the Organization obtained a $50,000 nondisclosable revolving line of credit with a fixed rate of 5.00% from b1Bank to help finance its short-term capital needs. Interest is payable quarterly on outstanding balances. At December 31, 2020, the amount owed on the line of credit was $0 with $50,000 available to draw.

(10) Subsequent Events

The Organization has evaluated subsequent events through June 28, 2021, the date which the financial statements were available to be issued.

(11) Recent Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842) intended to improve financial reporting regarding leasing transactions. The new standard affects all companies and organizations that lease assets and liabilities for the rights and obligations created by those leases if the lease terms are more than 12 months. The guidance also will require qualitative quantitative disclosures providing additional information about the amounts recorded in the financial statements. The amendments in this update are effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. The Organization is evaluating the potential impact of the amendment on the Organization's financial statements.

INTERNAL CONTROL,
COMPLIANCE,
AND
OTHER MATTERS

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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*

To the Board of Directors of
Capital Area Family Justice Center, Inc.
Baton Rouge, Louisiana

We have audited, 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, the financial statements of Capital Area Family Justice Center, Inc.(a nonprofit organization), which comprise the statement of financial position as of December 31, 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 June 28, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Capital Area Family Justice Center, Inc.’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Capital Area Family Justice Center, Inc.’s internal control. Accordingly, we do not express an opinion on the effectiveness of Capital Area Family Justice Center, Inc.’s internal control.

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

Our consideration of 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 Capital Area Family Justice Center, Inc.'s financial statements are free of 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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report maybe limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
June 28, 2021

Capital Area Family Justice Center, Inc.
Baton Rouge, Louisiana

Schedule of Current Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2020

Part I. Current Year Findings and Management's Corrective Action Plan:

A. Internal Control Over Financial Reporting

None reported.

B. Compliance

None reported.