

CHILD ADVOCACY SERVICES, INC.
FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
December 31, 2019

CASCIO & SCHMIDT, LLC
Certified Public Accountants

CHILD ADVOCACY SERVICES, INC.

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CASCIO & SCHMIDT, LLC

CERTIFIED PUBLIC ACCOUNTANTS

FRANCIS J. CASCIO, CPA
STEVEN A. SCHMIDT, CPA

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA CERTIFIED
PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
Child Advocacy Services, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Child Advocacy Services, Inc. (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2019, 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 controls 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 of 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 Child Advocacy Services, Inc. as of December 31, 2019, 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 Matter - Summarized Comparative Information

The financial statements of Child Advocacy Services, Inc., for the year ended December 31, 2018, were audited by others auditors whose report was dated February 27, 2019, and expressed an unmodified opinion on those audited financial statements. The summarized comparative information presented herein, as of and for the year ended December 31, 2018, were derived from those financial statements. See also Note A-12.

Additional Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information which includes the combined statement of activities and schedule of compensation, benefits and other payments to agency head or chief executive officer, is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit 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 taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2020, on our consideration of Child Advocacy Services, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Child Advocacy Services, Inc.'s internal control over financial reporting and compliance.



Metairie, Louisiana
February 7, 2020

CHILD ADVOCACY SERVICES, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2019

	<u>ASSETS</u>	Summarized Comparative Information <u>December 31, 2018</u>
CURRENT ASSETS		
Cash	\$ 661,738	\$ 644,627
Certificates of deposit	210,956	174,352
Receivables (Notes A-9 and C)		
Grants	177,898	166,122
Other	<u>1,541</u>	<u>2,000</u>
Total current assets	<u>1,052,133</u>	<u>987,101</u>
Total assets	<u>\$ 1,052,133</u>	<u>\$ 987,101</u>
 <u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ <u>15</u>	\$ <u>226</u>
Total current liabilities	<u>15</u>	<u>226</u>
Total liabilities	15	226
COMMITMENTS (Note D)	-	-
NET ASSETS (Note A-2)		
Without donor restrictions	<u>1,052,118</u>	<u>986,875</u>
Total Net Assets	<u>1,052,118</u>	<u>986,875</u>
Total liabilities and net assets	<u>\$ 1,052,133</u>	<u>\$ 987,101</u>

The accompanying notes are an integral part of this statement.

CHILD ADVOCACY SERVICES, INC.

STATEMENT OF ACTIVITIES

Year Ended December, 2019

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>	<u>Summarized Comparative Information December 31, 2018</u>
REVENUES				
United Way	\$ 203,360	\$ -	\$ 203,360	\$ 201,453
Grant Appropriations				
Governmental (Note E)	1,631,328	-	1,631,328	1,534,871
Other	49,473	-	49,473	10,000
Special events	90,699	-	90,699	80,279
Contributions	77,962	-	77,962	93,479
Other	<u>30,393</u>	<u>-</u>	<u>30,393</u>	<u>131,710</u>
Total Revenues	<u>2,083,215</u>	<u>-</u>	<u>2,083,215</u>	<u>2,051,792</u>
EXPENSES				
Program services				
Court appointed special advocate	1,246,795	-	1,246,795	1,148,105
Children's advocacy center	<u>587,349</u>	<u>-</u>	<u>587,349</u>	<u>597,957</u>
Total program services	<u>1,834,144</u>	<u>-</u>	<u>1,834,144</u>	<u>1,746,062</u>
Supportive services				
Management and general	148,594	-	148,594	153,822
Fund raising	<u>35,234</u>	<u>-</u>	<u>35,234</u>	<u>27,900</u>
Total supportive expenses	<u>183,828</u>	<u>-</u>	<u>183,828</u>	<u>181,722</u>
Total expenses	<u>2,017,972</u>	<u>-</u>	<u>2,017,972</u>	<u>1,927,784</u>
INCREASE IN NET ASSETS	65,243	-	65,243	124,008
NET ASSETS, BEGINNING OF YEAR	<u>986,875</u>	<u>-</u>	<u>986,875</u>	<u>862,867</u>
NET ASSETS, END OF YEAR	<u>\$ 1,052,118</u>	<u>\$ -</u>	<u>\$ 1,052,118</u>	<u>\$ 986,875</u>

The accompanying notes are an integral part of this statement.

CHILD ADVOCACY SERVICES, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2019

	<u>PROGRAM SERVICES</u>		<u>SUPPORTIVE SERVICES</u>		
	<u>Court Appointed Special Advocate</u>	<u>Children's Advocacy Center</u>	<u>Management And General</u>	<u>Fund Raising</u>	<u>TOTAL</u>
Salaries	\$ 785,428	\$ 373,034	\$ 95,437	\$ 21,822	\$1,275,721
Fringe benefits	186,728	103,171	23,859	5,455	319,213
Occupancy	97,969	44,613	15,842	-	158,424
Travel	59,996	23,463	1,703	-	85,162
Supplies	23,459	10,860	291	292	34,902
Printing	1,612	533	161	-	2,306
Board generated self-support	-	-	-	7,665	7,665
Training	30,645	2,008	-	-	32,653
Other program expenses	<u>60,958</u>	<u>29,667</u>	<u>11,301</u>	<u>-</u>	<u>101,926</u>
Total expenses	\$ <u>1,246,795</u>	\$ <u>587,349</u>	\$ <u>148,594</u>	\$ <u>35,234</u>	\$ <u>2,017,972</u>

The accompanying notes are an integral part of this statement.

CHILD ADVOCACY SERVICES, INC.

STATEMENT OF CASH FLOWS

Year Ended December 31, 2019

		Summarized Comparative Information <u>December 31, 2018</u>
Cash Flows from Operating Activities:		
Increase in net assets	\$ 65,243	\$ 124,008
Depreciation	-	1,378
(Gain) on sale of building	-	(71,576)
(Increase) decrease in grants receivable	(11,776)	21,404
Decrease in other receivables	459	2,810
(Decrease) in accounts payable	<u>(211)</u>	<u>(11,297)</u>
Net Cash Provided by Operating Activities	<u>53,715</u>	<u>66,727</u>
Cash Flows from Investing Activities:		
Purchase of certificates of deposit	(36,604)	(1,179)
Proceeds from sale of building	<u>-</u>	<u>125,000</u>
Net Cash Provided by (Used in) Investing Activities	<u>(36,604)</u>	<u>123,821</u>
Increase in Cash and Cash Equivalents	17,111	190,548
Cash and Cash Equivalents, Beginning of Year	<u>644,627</u>	<u>454,079</u>
Cash and Cash Equivalents, End of Year	<u>\$ 661,738</u>	<u>\$ 644,627</u>

The accompanying notes are an integral part of this statement.

CHILD ADVOCACY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE A - SUMMARY OF ACCOUNTING POLICIES

A summary of the Corporation's significant accounting policies consistently applied in the preparation of the accompanying financial statements follow:

1. Nature of Activities

Child Advocacy Services, Inc. was organized to give voice, healing and security to children in Louisiana, primarily in the Florida parishes region.

2. Presentation of Financial Statements

The Corporation's statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements 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").

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

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

When a 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. Donor-restricted contributions and grants whose restrictions are met in the same reporting period are reported as net assets without donor restrictions. Donations of property and equipment are recorded at their estimated fair value at the date of donation.

3. Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Corporation's ongoing activities. Non-operating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

CHILD ADVOCACY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2019

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

4. Revenue Recognition

Grant revenue is recognized as it is earned in accordance with approved contracts. Contributions are recognized as income in the period received and is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, also when grant services are performed, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as "net assets released from restrictions." When grant expenditures are made in the same period that grant revenues are received, grant revenues are classified as net assets without donor restrictions.

5. Property and Equipment

Property and equipment acquired by Child Advocacy Services, Inc. are considered to be owned by Child Advocacy Services, Inc., however, State and Federal funding sources may maintain an equitable interest in the property purchased with grant funds as well as the right to determine the use of any proceeds from the sale of these assets.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support 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 restricted support.

Child Advocacy Services, Inc. follows the practice of capitalizing, at cost, all expenditures for property and equipment in excess of \$5,000. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally on the straight-line method. Leasehold improvements are capitalized and amortized over the life of the lease.

6. Estimates

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

7. Fair Values of Financial Instruments

The carrying amounts of cash and cash equivalents reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

8. Cash Equivalents

For the purpose of the statement of cash flows, the Corporation considers all investments with original maturities of three months or less to be cash equivalents.

9. Grants Receivable

The corporation considers accounts receivable to be fully collectible since the balance consists of payments due under governmental contracts. If amounts due become uncollectible, they will be charged to operations when that determination is made.

CHILD ADVOCACY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2019

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

10. Functional Allocation of Expenses

The expenses of providing program and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Certain of those expenses have been allocated among the program and supporting services benefitted based on estimates by management of the costs involved.

11. Subsequent Events

Management has evaluated subsequent events through February 7, 2020, which is the date the financial statements were available to be issued.

12. Summarized Comparative Information

Summarized comparative information is presented only to assist with financial analysis. Data in these columns do not present financial position, results of operations or changes in net assets in conformity with generally accepted accounting principles.

NOTE B - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

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

Cash	\$ 872,694
Receivables	<u>179,439</u>
	\$ <u>1,052,133</u>

Child Advocacy Services, Inc. maintains adequate operating revenue. The current financial assets totaled \$1,052,133 at December 31, 2019, are available for general expenditures, that is, without donor or other restrictions limiting their use.

As part of Child Advocacy Services, Inc.'s liquidity management, it maintains its current assets primarily in cash and cash equivalents.

CHILD ADVOCACY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2019

NOTE C - GRANTS RECEIVABLE

Grants receivable consist of the following as of December 31, 2019:

Louisiana Commission on Law Enforcement and Administration of Criminal Justice	\$ 60,503
State of Louisiana - Governor's Office of Programs and Planning	2,083
Louisiana Supreme Court	83,051
West Feliciana Police Jury	6,428
St. Charles Parish United Way	13,333
St. John Parish United Way	12,500
	<u>\$ 177,898</u>

NOTE D - COMMITMENTS

The Corporation leases office space for its administrative office in Hammond and five branch locations in Denham Springs, Laplace, St. Francisville, Luling and Gonzales, all under operating leases. The Denham Springs lease expires October 31, 2021. The Laplace lease is a month-to-month lease, currently at \$800 a month. The St. Francisville lease is also a month-to-month lease currently at \$525 a month. The Luling lease expires January 31, 2021. The Gonzales lease expires February 28, 2025.

The leased premises in Hammond was under construction as of December 31, 2019. The monthly rental during the construction period is \$2,000. Thereafter, the rent will be \$5,800 monthly for the term of the lease, which will be for twenty years.

Rent expense for the year 2019 amounted to \$110,700.

Future minimum lease payment are as follows:

<u>Years ending December 31,</u>	
2020	\$ 123,680
2021	125,100
2022	99,600
2023	99,600
2024	99,600
2025-2040	<u>1,083,800</u>
	<u>\$ 1,631,380</u>

CHILD ADVOCACY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2019

NOTE E - INCOME TAXES

Child Advocacy Services, Inc. is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

FASB ASC 740, Income Taxes, requires that a tax position be recognized or derecognized based on a “more likely than not” threshold. This applies to positions taken or expected to be taken in a tax return. Management does not believe its financial statements include any uncertain tax positions.

NOTE F - SUMMARY OF FUNDING

<u>Grants</u>	<u>Periods</u>	<u>Grant Award</u>	<u>Revenue Recognized</u>
<u>Governmental</u>			
State of Louisiana - Governor’s Office of Programs and Planning			
Children’s Trust fund	7/1/18-6/30/19	\$ 51,000	\$ 26,747
	7/1/19-6/30/20	25,000	12,500
State of Louisiana - Supreme Court	7/1/18-6/30/19	955,135	476,774
	7/1/19-6/30/20	1,065,759	516,170
Louisiana Commission on Law Enforcement and Administration of Criminal Justice			
	1/1/19-12/31/19	105,000	105,000
	4/1/19-6/30/19	7,000	7,000
	1/1/19-12/31/19	451,630	446,905
	1/1/20-6/30/21	158,000	1,732
	1/1/20-6/30/21	874,671	5,100
West- Feliciana Parish Jury	7/1/18-6/30/19	26,400	13,200
	7/1/19-6/30/20	26,400	13,200
National Children’s Alliance	1/1/19-12/31/19	7,000	<u>7,000</u>
Total governmental grants			<u>\$ 1,631,328</u>

CHILD ADVOCACY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2019

NOTE G - FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), as set forth in FASB ASC 820-10, requires disclosure of the estimated fair value of certain financial instruments and the methods and significant assumptions used to estimate their fair value.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of the following three categories:

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3 - Unobservable inputs that are not corroborated by market data.

The following tables set forth, by level within the fair value hierarchy, the Corporation's financial instruments at fair value as of December 31, 2019.

		<u>Fair value Measurement of Reporting Date</u>		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificate of Deposit	\$ <u>210,956</u>	\$ <u>210,956</u>	\$ <u>-</u>	\$ <u>-</u>

The assumptions to estimate fair values are as follows:

1. Certificates of deposit carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of the instruments.

NOTE H - RETIREMENT PLAN

The Child Advocacy Services, Inc. sponsors a deferred compensation plan covering all employees earning over \$5,000, and elect to defer a portion of their salary. The Corporation will match 3% of the deferred compensation. The contribution rate remains unchanged from the prior year. The retirement expense for the year ended December 31, 2019 totaled \$20,328.

NOTE I - BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation was paid to any board member.

CHILD ADVOCACY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2019

NOTE J - CONCENTRATION OF CREDIT RISK

Two government agencies account for 81% of total grants receivable, and 76% of total revenue at December 31, 2019.

The Corporation's support through state and federal grants totaled 78% for the year ended December 31, 2019.

NOTE K- ECONOMIC DEPENDENCY

The Corporation received the majority of its revenue from funds provided through grants administered by the federal government and the State of Louisiana. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the funds the corporation receives could be reduced significantly and have an adverse impact on its operations. At the time of completion of the examination of the corporation's financial statements, management was not aware of any actions taken that would adversely affect the amount of funds the corporation will receive in the next fiscal year.

SUPPLEMENTAL INFORMATION

CHILD ADVOCACY SERVICES, INC.

STATEMENT OF ACTIVITIES BY PROGRAM

Year Ended December 31, 2019

	<u>Court Appointed Special Advocate</u>	<u>Children's Advocacy Center</u>	<u>Total</u>
REVENUE			
Direct program revenue:			
Grant appropriations	\$ <u>1,209,372</u>	\$ <u>471,430</u>	\$ <u>1,680,802</u>
Total direct program revenue	<u>1,209,372</u>	<u>471,430</u>	<u>1,680,802</u>
Unrestricted revenue	<u>103,738</u>	<u>95,315</u>	<u>199,053</u>
Total self-generated revenue	<u>103,738</u>	<u>95,315</u>	<u>199,053</u>
United Way	<u>102,140</u>	<u>101,220</u>	<u>203,360</u>
Total Revenue	<u>1,415,250</u>	<u>667,965</u>	<u>2,083,215</u>
EXPENSES			
Salaries	785,428	373,034	1,158,462
Fringe benefits	186,728	103,172	289,900
Occupancy	97,969	44,613	142,582
Travel	59,996	23,463	83,459
Supplies	23,459	10,860	34,319
Printing	1,612	533	2,145
Training	30,645	2,008	32,653
Other program expenses	<u>60,958</u>	<u>29,666</u>	<u>90,624</u>
Total direct expenses	<u>1,246,795</u>	<u>587,349</u>	<u>1,834,144</u>
Support service expenses	<u>124,961</u>	<u>58,867</u>	<u>183,828</u>
Total expenses	<u>1,371,756</u>	<u>646,216</u>	<u>2,017,972</u>
INCREASE IN NET ASSETS	\$ <u>43,494</u>	\$ <u>21,749</u>	\$ <u>65,243</u>

CHILD ADVOCACY SERVICES, INC.

STATEMENT OF ACTIVITIES - LOUISIANA SUPREME COURT TANF PROGRAM

Year Ended December 31, 2019

	For the period January 1, 2019 through June 30, 2019	For the period July 1, 2019 through December 31, 2019	Total
REVENUE			
Grant appropriations	\$ 476,774	\$ 516,170	\$ 972,944
Total Revenue	<u>476,774</u>	<u>516,170</u>	<u>972,944</u>
EXPENSES			
Salaries	296,517	331,914	628,431
Fringe benefits	74,447	78,734	153,181
Professional services	3,209	2,605	5,814
Operating expense	50,472	62,189	112,661
Travel	29,656	27,530	57,186
Training	6,431	4,408	10,839
Supplies	15,086	5,905	20,991
Equipment	-	2,750	2,750
Printing/copying	956	135	1,091
Total expenses	<u>476,774</u>	<u>516,170</u>	<u>992,944</u>
INCREASE IN NET ASSETS	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

CHILD ADVOCACY SERVICES, INC.

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

For the year ended December 31, 2019

Agency Head Name: Robert A. Carlisle

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 89,454
Benefits - hospitalization and life	14,172
Reimbursements	1,406
Travel	4,316

CHILD ADVOCACY SERVICES, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2019

	<u>PASS THROUGH CONTRACT #</u>	<u>FEDERAL CFDA NUMBER</u>	<u>TOTAL FEDERAL EXPENDITURES</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Pass through programs from:			
State of Louisiana - Supreme Court: TANF Program		93.558	\$ <u>712,393</u>
Total U.S. Department of Health and Human Services			<u>712,393</u>
 U.S. DEPARTMENT OF JUSTICE			
Passed through programs from			
Louisiana Commission on Law Enforcement and Administration of Criminal Justice:			
Child Abuse Program 7	2017-VA-01/03-4311	16.575	105,000
Child Abuse Program 7	2016-VA-01/03-4795	16.575	7,000
Child Advocacy Program 5	2017-VA-01/03-4310	16.575	446,905
Child Advocacy Program 5	2018-VA-01/03-4930	16.575	1,732
Child Advocacy Program 5	2018-VA-03/01-4999	16.575	5,100
National Children's Alliance State Chapter Support to CAC's	2-HAMM-LA-SA 19	16.758	<u>7,000</u>
Total Department of Justice			<u>572,737</u>
TOTAL FEDERAL AWARDS			\$ <u>1,285,130</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Child Advocacy Services, Inc. under programs of the federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Par 200., Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Child Advocacy Services, Inc. it is not intended to and does not present the financial position, changes in net assets or cash flow of Child Advocacy Services, Inc..

CHILD ADVOCACY SERVICES, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Continued

Year Ended December 31, 2019

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

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 reimbursements.

C. Indirect Cost Rate

Advocacy Center has not elected to use the 10% de minimis indirect cost rate.

D. Non-Federal Contributions

The matching contributions for the year ended December 31, 2019 totaled the following

Child Advocacy Program 5	\$ 112,908
Child Abuse Program 7	<u>26,250</u>
	\$ <u>139,158</u>

CASCIO & SCHMIDT, LLC

CERTIFIED PUBLIC ACCOUNTANTS

FRANCIS J. CASCIO, CPA
STEVEN A. SCHMIDT, CPA

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA CERTIFIED
PUBLIC ACCOUNTANTS

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
Child Advocacy Services, Inc.

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 Child Advocacy Services, Inc. (a nonprofit corporation) which comprise the statement of financial position as of December 31, 2019 and the related statements of activities, and cash flows and for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 7, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements we considered Child Advocacy Services, Inc.'s 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 Child Advocacy Services, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Child Advocacy Services, 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 over financial reporting 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 the 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 Child Advocacy Services, 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 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 Standards Auditing* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for an other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Casci + Schmidt, LLC.

Metairie, Louisiana
February 7, 2020

CASCIO & SCHMIDT, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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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

To the Board of Directors
Child Advocacy Services, Inc.

Report on Compliance for Each Major Federal Program

We have audited Child Advocacy Services, Inc.'s compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of Child Advocacy Services, Inc.'s major federal programs for the year ended December 31, 2019. Child Advocacy Services, Inc.'s 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Child Advocacy Services, Inc.'s 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (Uniform Guidance). Those standards and the Uniform Standards 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 Child Advocacy Services, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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 Child Advocacy Services, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion Child Advocacy Services, Inc. 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 December 31, 2019.

Report on Internal Control Over Compliance

Management of Child Advocacy Services, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance of requirements referred to above. In planning and performing our audit of compliance, we considered Child Advocacy Services, Inc.'s 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 to 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 Child Advocacy Services, Inc.'s internal control over compliance.

A deficiency in internal control over compliance 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 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 that might be deficiencies, significant deficiencies or material weaknesses. 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.

Purpose of this Report

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

Cascio + Schmidt, LLC

Metairie, Louisiana
February 7, 2020

CHILD ADVOCACY SERVICES, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended December 31, 2019

A. SUMMARY OF THE AUDIT RESULTS

Financial Statements

Type of auditor's report issued

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported
- Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516 (a)?

yes no

Identification of major programs:

CFDA Number

93.558

Name of Federal Program

U.S. Department of Health and Human Services:
Passed through State Of Louisiana Supreme Court
TANF Program

Dollar threshold used to distinguish between type A and B programs:

\$ 750,000

Since there were no type A programs, a type B program was classified as a major program to satisfy the 40% testing rule.

Auditee qualified as low-risk auditee?

yes no

CHILD ADVOCACY SERVICES, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended December 31, 2019

B. FINANCIAL STATEMENT AUDIT

There were no findings related to the financial statements for the year ended December 31, 2019.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

There were no items identified in the course of our testing during the current year required to be reported.

D. STATUS OF PRIOR YEAR AUDIT FINDINGS

There were no prior year audit findings.