

# **Prevent Child Abuse Louisiana**

Baton Rouge, Louisiana

Year Ended June 30, 2018

*Financial Statements  
and Supplementary Information*

William D. Mercer, CPA  
A PROFESSIONAL ACCOUNTING CORPORATION

## CONTENTS

|  | <u>Page</u> |
|--|-------------|
| Independent Auditor's Report   | 3 – 4       |
| Statement of Financial Position  | 5 – 6       |
| Statement of Activities  | 7           |
| Statement of Cash Flows  | 8           |
| Notes to the Financial Statements  | 9 – 18      |
| Independent Auditor's Report on Internal Control Over Financial Reporting<br>and on Compliance and Other Matters Based on an Audit of Financial<br>Statements Performed in Accordance with Government Auditing Standards | 19 – 20     |
| Schedule of Findings   | 21          |
| Schedule of Prior Year Findings  | 22          |
| Supplementary Information:   |             |
| Schedule of Functional Expenses  | 24          |
| Schedule of Compensation, Benefits, and Other Payments to Agency Head  | 25          |



# WILLIAM D. MERCER, CPA

A PROFESSIONAL ACCOUNTING  
CORPORATION

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Prevent Child Abuse Louisiana  
Baton Rouge, Louisiana

### **Report on the Financial Statements**

I have audited the accompanying financial statements of Prevent Child Abuse Louisiana (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities 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***

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my 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 I 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, I express no 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### *Opinion*

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Prevent Child Abuse Louisiana as of June 30, 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

My audit was conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise Prevent Child Abuse Louisiana's basic financial statements. The schedule of functional expenses on page 24 and the schedule of compensation, benefits, and other payments to agency head on page 25 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of functional expenses on page 24 and the schedule of compensation, benefits, and other payments to agency head on page 25 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of functional expenses on page 24 and the schedule of compensation, benefits, and other payments to agency head on page 25 are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated December 13, 2018, on my consideration of Prevent Child Abuse Louisiana's internal control over financial reporting and on my 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 my 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 Prevent Child Abuse Louisiana's internal control over financial reporting and compliance.

William J. Mercer, CPA (NAC)

Baton Rouge, Louisiana  
December 13, 2018

PREVENT CHILD ABUSE LOUISIANA  
Baton Rouge, Louisiana

STATEMENT OF FINANCIAL POSITION

June 30, 2018

---

ASSETS

CURRENT:

|                               |    |                |
|-------------------------------|----|----------------|
| Cash and cash equivalents     | \$ | 33,551         |
| Investments                   |    | 226,477        |
| Pledges and grants receivable |    | <u>49,384</u>  |
| Total Current Assets          |    | <u>309,412</u> |

PROPERTY AND EQUIPMENT:

|                               |  |               |
|-------------------------------|--|---------------|
| Equipment and furniture       |  | 24,817        |
| Less accumulated depreciation |  | <u>18,756</u> |
| Net Property and Equipment    |  | <u>6,061</u>  |

LONG-TERM:

|          |  |            |
|----------|--|------------|
| Deposits |  | <u>900</u> |
|----------|--|------------|

TOTAL ASSETS \$ 316,373

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

---

LIABILITIES

CURRENT:

|                  |    |                |
|------------------|----|----------------|
| Accounts payable | \$ | 18,820         |
| Accrued expenses |    | 15,903         |
| Line of credit   |    | <u>137,573</u> |

TOTAL LIABILITIES (all current) 172,296

NET ASSETS

|                        |   |                |
|------------------------|---|----------------|
| Permanently restricted | - | -              |
| Temporarily restricted |   | -              |
| Unrestricted           |   | <u>144,077</u> |

TOTAL NET ASSETS 144,077

TOTAL LIABILITIES AND NET ASSETS \$ 316,373

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

PREVENT CHILD ABUSE LOUISIANA  
Baton Rouge, Louisiana

STATEMENTS OF ACTIVITIES

Year Ended June 30, 2018

---

|                                   | <u>Unrestricted</u>   |
|-----------------------------------|-----------------------|
| REVENUES:                         |                       |
| Contributed support:              |                       |
| Donations                         | \$ 116,118            |
| Grant revenues                    | 294,337               |
| Special events                    | 19,682                |
| Investment income                 | 13,681                |
| Other income                      | <u>1,200</u>          |
| <br>Total Revenues                | <br><u>445,018</u>    |
| EXPENSES:                         |                       |
| Program services                  | 497,628               |
| Supporting services:              |                       |
| Management services               | 59,944                |
| Fundraising                       | <u>22,621</u>         |
| <br>Total Expenses                | <br><u>580,193</u>    |
| <br>Change in net assets          | <br>( 135,175)        |
| <br>NET ASSETS, beginning of year | <br><u>279,252</u>    |
| <br>NET ASSETS, end of year       | <br><u>\$ 144,077</u> |

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

PREVENT CHILD ABUSE LOUISIANA  
Baton Rouge, Louisiana

STATEMENTS OF CASH FLOWS

Year Ended June 30, 2018

---

|   |                         |
|---|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES:   |                         |
| Change in net assets  | \$( 135,175)            |
| Adjustments to reconcile changes in net assets to<br>net cash provided by operating activities: |                         |
| Depreciation  | 4,270                   |
| Provision for bad debts   | 2,614                   |
| Unrealized loss on investments  | 10,794                  |
| (Increase) decrease in:   |                         |
| Receivables   | ( 8,196)                |
| Increase (decrease) in:   |                         |
| Accounts payable  | ( 12,611)               |
| Accrued expenses  | 14,270                  |
| Deferred revenues   | <u>( 9,500)</u>         |
| Net cash used by operating activities   | <u>( 133,534)</u>       |
| CASH FLOWS FROM INVESTING ACTIVITIES:   |                         |
| Proceeds from sale of investments   | 156,307                 |
| Investment income redeposited   | <u>( 115,446)</u>       |
| Net cash provided by investing activities   | <u>40,861</u>           |
| CASH FLOWS FROM FINANCING ACTIVITIES:   |                         |
| Net borrowings on line of credit  | <u>8,454</u>            |
| NET DECREASE IN CASH  | ( 84,219)               |
| CASH AND CASH EQUIVALENTS, beginning of year  | <u>117,770</u>          |
| CASH AND CASH EQUIVALENTS, end of year  | \$ <u><u>33,551</u></u> |

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

PREVENT CHILD ABUSE LOUISIANA  
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

---

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Prevent Child Abuse Louisiana (the Organization) is a statewide, volunteer-based organization dedicated to the prevention of child abuse and neglect in all its forms. This mission is carried out through the development, implementation, and support of child abuse prevention activities in Louisiana.

The Organization's goals are to develop a statewide prevention network throughout Louisiana, to educate the public about the prevalence of child abuse and the Organization's role in child abuse prevention, and to provide community-based programs throughout Louisiana. The Organization is headquartered in Baton Rouge.

Basis of accounting and presentation

The accompanying financial statements have been prepared using the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

Net assets of the Organization and changes therein are classified and reported as follows:

- *Unrestricted net assets* – Net assets that are not subject to donor-imposed stipulations.
- *Temporarily restricted net assets* – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time.
- *Permanently restricted net assets* – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed stipulations. Expenses are recorded as decreases in unrestricted net assets. Gains and losses on assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated passage of time has elapsed) are reported as net assets released from restrictions.

PREVENT CHILD ABUSE LOUISIANA  
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

---

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Organization regularly assesses these estimates and, while actual results could differ, management believes that the estimates are reasonable.

Significant estimates included in or affecting the presentation of the accompanying financial statements include estimated useful lives of property and equipment.

Cash and cash equivalents

For the purpose 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.

Pledges, grants, and contracts receivable

Pledges that are expected to be collected within one year are recorded at net realizable value. Pledges that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discount on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue.

Grants, which are considered exchange transactions, are recognized as revenue when allowable costs are incurred to provide the services specified under the terms of the grant agreement. Advances under the grants are recorded as deferred income until such time as they can be recognized as revenue.

As of June 30, 2018, the Organization considered all receivables to be fully collectible; therefore, no allowance for doubtful receivables was recorded.

PREVENT CHILD ABUSE LOUISIANA  
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

---

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments are reported at fair value in the statement of financial position. Unrealized gains and losses are included in the statement of activities.

Property and equipment

All property and equipment is stated at cost. Expenditures for maintenance, repairs, and minor renewals are expensed as incurred. Major expenditures for renewals and betterments are capitalized.

As a general rule, when items are retired or otherwise disposed, accumulated depreciation is reduced by the accumulated amount of depreciation applicable thereto. Any gain or loss from such retirement or disposal is credited or charged to income in the year of the disposal.

Depreciation and amortization

Depreciation is computed on the straight-line method over the estimated useful lives of the various classes of depreciable assets, ranging from three to five years.

The useful lives are estimated based on historical experience with similar assets, taking into account anticipated technological or other changes. The Organization periodically reviews these lives relative to physical factors, economic factors, and industry trends. If there are changes in the planned use of property and equipment or if technological changes occur more rapidly than anticipated, the useful lives assigned to those assets may be shortened, resulting in the recognition of increased depreciation expense in future periods.

PREVENT CHILD ABUSE LOUISIANA  
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

---

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accrued annual leave

The Organization accrued personal time off for all full-time employees at a rate of 6.77 hours per pay period (22 days annually) for years one through three; 7.38 hours per pay period (24 days annually) for years four through five; 8.31 hours per pay period (27 days annually) for years six through nine; and 9.85 hours per pay period (32 days annually) during the tenth year and thereafter. This calculation is based on 26 pay periods per year. Employees may carry over no more than 50% of their personal time off to the next fiscal year, not to exceed a total of 240 personal time off hours at any given time. The Organization will pay out 50% of remaining personal time off upon termination. The accrued liability for personal time off was \$ 2,152 at June 30, 2018.

Contributed services

The Organization receives a significant amount of donated services from unpaid volunteers who assist in fundraising and special projects. No amount for these contributed services has been recognized in the statement of activities, as the criteria for recognition under FASB ASC 958-605, *Not-for-Profit Entities – Revenue Recognition*, have not been satisfied. The Organization receives more than 1,000 volunteer hours per year.

Advertising

The Organization expenses the production costs of advertising the first time the advertising takes place, except for direct response advertising, which is capitalized and amortized over its expected period of future benefits. As of June 30, 2018, the Organization had no advertising classified as assets, and all advertising was expensed as incurred.

Income taxes

The Organization is a not-for-profit organization that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and from state income tax under Section 121(5) of Title 47 of the Louisiana Revised Statutes. Accordingly, no provision or liability for federal or state income taxes has been included in the accompanying financial statements.

PREVENT CHILD ABUSE LOUISIANA  
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

---

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional allocation of expenses

The costs of providing programs have been summarized on functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Designation of net assets

Designations are voluntary board-approved segregations of unrestricted net assets for specific purposes, projects, or investments. Designations may be reversed by the Board of Directors at any time. There were no designations of net assets as of June 30, 2018.

Subsequent events

In preparing the accompanying financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through December 13, 2018, the date the financial statements were available to be issued.

NOTE B – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2018, were as follows:

|                                   |    |               |
|-----------------------------------|----|---------------|
| Cash on hand                      | \$ | -             |
| Cash in bank – checking / savings |    | <u>33,551</u> |
|                                   | \$ | <u>33,551</u> |

PREVENT CHILD ABUSE LOUISIANA  
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

---

NOTE C – FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurements*, provides the framework for measuring fair value. That framework provides 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 under FASB ASC 820 are described as follows:

- Level 1    Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- 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; and
  - inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3    Inputs to the valuation methodology are unobservable and significant to the fair value measurement

The asset or liability fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

PREVENT CHILD ABUSE LOUISIANA  
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE C – FAIR VALUE MEASUREMENTS (continued)

Following is a description of the valuation methodologies used for assets measured at fair value:

|   |  |
|---|--|
| <i>Exchange Traded and Closed-End Funds</i> | Valued at the quoted net asset value of shares held by the Organization at year end                    |
| <i>Mutual Funds</i>                         | Valued at the quoted net asset value of shares held by the Organization at year end                    |
| <i>Money Market Funds</i>                   | Valued using amortized cost, which approximates fair value   |
| <i>Common Stocks</i>                        | Valued at the closing price reported in the active market in which the identical securities are traded |

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization’s assets at fair value as of June 30, 2018:

|                    | Assets at Fair Value as of |                 |                |                   |
|--------------------|----------------------------|-----------------|----------------|-------------------|
|                    | June 30, 2018              |                 |                |                   |
|                    | <u>Level 1</u>             | <u>Level 2</u>  | <u>Level 3</u> | <u>Total</u>      |
| Mutual funds       | \$ 156,034                 | \$ -            | \$ -           | \$ 156,034        |
| Money market funds | -                          | 2,382           | -              | 2,382             |
| Common stocks      | <u>68,061</u>              | <u>-</u>        | <u>-</u>       | <u>68,061</u>     |
|                    | <u>\$ 224,095</u>          | <u>\$ 2,382</u> | <u>\$ -</u>    | <u>\$ 226,477</u> |

PREVENT CHILD ABUSE LOUISIANA  
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

---

NOTE C – FAIR VALUE MEASUREMENTS (continued)

Investment income for the year ended June 30, 2018, consisted of the following:

|                        |    |                 |
|------------------------|----|-----------------|
| Dividends and interest | \$ | 8,178           |
| Realized gains         |    | 16,297          |
| Unrealized losses      |    | <u>(10,794)</u> |
|                        | \$ | <u>13,681</u>   |

NOTE D – LINE OF CREDIT

The Organization has a line of credit with Morgan Stanley in the amount of \$ 137,573, which bears interest at LIBOR (5.875% as of June 30, 2018). The line of credit is secured by the Organization's investments at Morgan Stanley. The Organization can borrow an amount not to exceed their investment balances of 90% of cash, 50% of equities, and 75% of bonds.

NOTE E – LEASE COMMITMENTS

The Organization leases its office space in Baton Rouge from an unrelated party. During the year ended June 30, 2018, the lease required monthly payments of \$ 990. This lease originally expired in February 2016 and continued on an annual renewal basis from that date forward. In November 2018, the Organization relocated its office to another suite within the same building with the same lessor. This new lease requires monthly payments of \$ 1,100 and is due to expire in June 2019. At the expiration of this lease, the parties mutually agree to renew the lease on an annual basis from that date forward, unless terminated by either party. Rental expense under this lease totaled \$ 11,880 for the year ended June 30, 2018.

PREVENT CHILD ABUSE LOUISIANA  
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

---

NOTE E – LEASE COMMITMENTS (continued)

During the year ended June 30, 2018, the Organization rented storage space under an operating lease with an unrelated party. This lease is a month-to-month basis and requires monthly payments of \$ 40. Rent expense under this lease totaled \$ 400 for the year ended June 30, 2018.

Future minimum lease payments under all operating leases as of June 30, 2018, were as follows:

| Year ended<br><u>June 30,</u> |    |        |
|-------------------------------|----|--------|
| 2019                          | \$ | 11,300 |
| 2020                          |    | -      |
| 2021                          |    | -      |
| 2022                          |    | -      |
| 2023                          |    | -      |

NOTE F – SUPPLEMENTARY CASH FLOW INFORMATION

Cash payments for interest and income taxes for the year ended June 30, 2018, were as follows:

|              |    |              |
|--------------|----|--------------|
| Interest     | \$ | <u>8,104</u> |
| Income taxes | \$ | <u>-</u>     |

The Organization had no noncash investing or financing activities for the year ended June 30, 2018.

PREVENT CHILD ABUSE LOUISIANA  
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

---

NOTE G – SIGNIFICANT CONCENTRATIONS OF RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of grant revenues.

The Organization receives a significant portion of its support under a grants with local law enforcement and protective service agencies. A reduction in the amount of support and revenue provided under these grants, should this occur, could have a significant impact on the Organization's ability to carry out its activities and support services at current levels.

NOTE H – COMMITMENTS AND CONTINGENCIES

The Organization participates in federal and state grant programs which are governed by various rules and regulations. Costs charged to the grant programs are subject to audit and adjustment by the grantor agency; therefore, to the extent that the Organization has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable at year end may be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the Organization.

NOTE I – SUBSEQUENT EVENTS

In December 2018, the Organization's Board of Directors elected to end the operations of the local chapter, effective December 31, 2018, due to uncertainties regarding future financial support. As of the issuance of these financial statements, no formal plan for dissolution had been finalized.



WILLIAM D. MERCER, CPA

A PROFESSIONAL ACCOUNTING  
CORPORATION

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  
Prevent Child Abuse Louisiana  
Baton Rouge, Louisiana

I 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 Prevent Child Abuse Louisiana, which comprise the statement of financial position as of June 30, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated December 13, 2018.

**Internal Control over Financial Reporting**

In planning and performing my audits of the financial statements, I considered Prevent Child Abuse Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the effectiveness of Prevent Child Abuse Louisiana's internal control. Accordingly, I do not express an opinion on the effectiveness of Prevent Child Abuse Louisiana'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 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.

My 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 my audits I did not identify any deficiencies in internal control that I consider to material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Prevent Child Abuse Louisiana's financial statements are free of material misstatement, I 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 my audits, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results 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.

William J. Meyer, CPA (APR)

Baton Rouge, Louisiana  
December 13, 2018

PREVENT CHILD ABUSE LOUISIANA  
Baton Rouge, Louisiana

SCHEDULE OF FINDINGS

Year Ended June 30, 2018

---

There were no findings for the year ended June 30, 2018.

PREVENT CHILD ABUSE LOUISIANA  
Baton Rouge, Louisiana

SCHEDULE OF PRIOR YEAR FINDINGS

Year Ended June 30, 2018

---

There were no findings noted in the prior audit report dated October 12, 2017, for the year ended June 30, 2017.

SUPPLEMENTARY INFORMATION

PREVENT CHILD ABUSE LOUISIANA  
Baton Rouge, Louisiana

SCHEDULE\ OF FUNCTIONAL EXPENSES

Year Ended June 30, 2018

|                           | Program           | Supporting Services |                    | Total             |
|---------------------------|-------------------|---------------------|--------------------|-------------------|
|                           | <u>Services</u>   | <u>Admin.</u>       | <u>Fundraising</u> | <u>Expenses</u>   |
| Advertising               | \$ 2,630          | \$ 239              | \$ 120             | \$ 2,989          |
| Bad debts                 | -                 | 2,614               | -                  | 2,614             |
| Bank and credit card fees | -                 | 3,986               | -                  | 3,986             |
| Depreciation              | 3,757             | 342                 | 171                | 4,270             |
| Dues and memberships      | 1,349             | 123                 | 61                 | 1,533             |
| Insurance                 | 7,088             | 644                 | 322                | 8,054             |
| Interest                  | -                 | 8,104               | -                  | 8,104             |
| Occupancy                 | 10,806            | 983                 | 491                | 12,279            |
| Payroll expenses          | 290,236           | 26,385              | 13,193             | 329,814           |
| Postage and shipping      | 1,881             | 171                 | 85                 | 2,137             |
| Printing                  | 25,380            | 2,307               | 1,154              | 28,841            |
| Professional services     | 114,482           | 10,407              | 5,204              | 130,093           |
| Supplies                  | 8,790             | 799                 | 400                | 9,989             |
| Technology services       | 3,685             | 335                 | 168                | 4,188             |
| Telephone                 | 4,077             | 371                 | 185                | 4,633             |
| Training                  | 1,676             | 153                 | 76                 | 1,905             |
| Travel and meetings       | <u>21,791</u>     | <u>1,981</u>        | <u>991</u>         | <u>24,763</u>     |
| Totals                    | \$ <u>497,628</u> | \$ <u>59,944</u>    | \$ <u>22,621</u>   | \$ <u>580,192</u> |

See auditor's report on supplementary information.

PREVENT CHILD ABUSE LOUISIANA  
Baton Rouge, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS  
TO AGENCY HEAD  
Year Ended June 30, 2018

---

Agency Head: Amanda Brunson, Executive Director

| <b>Purpose:</b>                        | <b>Amount:</b> |
|--|----------------|
| Salary                                 | \$ 81,923      |
| Benefits – insurance                   | \$ 4,192       |
| Benefits – retirement                  | \$ 2,458       |
| Benefits – payroll taxes               | \$ 6,267       |
| Benefits – other                       | \$ 35          |
| Cell phone allowance                   | \$ 1,200       |
| Vehicle provided by organization       | None           |
| Per diem                               | None           |
| Reimbursements                         | \$ 1,734       |
| Travel                                 | None           |
| Registration fees                      | None           |
| Conference travel                      | None           |
| Continuing professional education fees | None           |
| Housing                                | None           |
| Unvouchered expenses                   | None           |
| Special needs                          | None           |

See auditor's report on supplementary information.