



Family Justice Center

CENTRAL LOUISIANA

**Family Justice of Central Louisiana, Inc.
Annual Financial Report
For the Year Ended December 31, 2020**



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Independent Auditors' Report

To the Board of Directors
Family Justice Center of Central Louisiana, Inc.

We have audited the accompanying financial statements of the Family Justice Center of Central Louisiana, Inc. (FJC) (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.

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. 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.



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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of FJC 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standard

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2021, on our consideration of FJC'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 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 FJC's internal control over financial reporting and compliance.



Rozier, McKay & Willis
Certified Public Accountants
Alexandria, Louisiana

June 9, 2021

Family Justice Center of Central Louisiana
Statement of Financial Position
December 31, 2020

Assets

Current Assets:

Cash and Cash Equivalents	\$	134,709
Accounts Receivable		64,156

Total Current Assets 198,865

Property and Equipment 6,763

Total Assets \$ 205,628

Liabilities

Current Liabilities:

Accounts Payable	\$	6,140
Payroll Liabilities		12,130
Accrued Leave		2,777
Notes Payable		2,500

Total Liabilities (Current) 23,547

Net Assets

Without Donor Restrictions 182,081

With Donor Restrictions -

Total Net Assets 182,081

Total Liabilities and Net Assets \$ 205,628

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

Family Justice Center of Central Louisiana
Statement of Activities
For the Year Ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Revenues and Support</u>			
Contributions	\$ 231,513	\$ 448,398	\$ 679,911
Other	63,700	-	63,700
Net Assets Released From Restrictions	448,398	(448,398)	-
	<u>743,611</u>	<u>-</u>	<u>743,611</u>
<u>Expenses</u>			
<u>Program Services</u>			
Domestic Violence Prevention and Victims Assistance	555,202	-	555,202
<u>Support Services</u>			
Management and General	75,266	-	75,266
	<u>630,468</u>	<u>-</u>	<u>630,468</u>
	<u>113,143</u>	<u>-</u>	<u>113,143</u>
Change in Net Assets	<u>113,143</u>	<u>-</u>	<u>113,143</u>
Net Assets - Beginning of Year			
As Originally Reported	58,123	-	58,123
Prior Period Adjustment	10,815	-	10,815
	<u>68,938</u>	<u>-</u>	<u>68,938</u>
As Restated	<u>68,938</u>	<u>-</u>	<u>68,938</u>
Net Assets - End of Year	<u>\$ 182,081</u>	<u>\$ -</u>	<u>\$ 182,081</u>

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

Family Justice Center of Central Louisiana
Statement of Functional Expenses
For the Year Ended December 31, 2020

	<u>Program Services</u>	<u>Support Services</u>		<u>Total Support Services</u>	<u>Total Expenses</u>
	<u>Domestic Violence Prevention and Victims Assistance</u>	<u>General & Administrative</u>	<u>Fundraising</u>		
Personnel	368,773	20,425	-	20,425	389,198
Client Expense	27,207	-	-	-	27,207
Contract Services	8,901	4,960	-	4,960	13,861
Insurance	19,014	3,168	-	3,168	22,182
Occupancy	59,803	6,089	-	6,089	65,892
Office	3,502	13,705	-	13,705	17,207
Repairs and Maintenance	4,175	11,435	-	11,435	15,610
Supplies	13,426	1,840	-	1,840	15,266
Telephone and Communications	25,071	2,822	-	2,822	27,893
Travel and Conferences	8,440	-	-	-	8,440
Utilities	12,909	-	-	-	12,909
Depreciation	2,537	-	-	-	2,537
Other	1,444	10,822	-	10,822	12,266
Total	<u>555,202</u>	<u>75,266</u>	<u>-</u>	<u>75,266</u>	<u>630,468</u>

See Accompanying Notes and Independent Accountants' Review Report

Family Justice Center of Central Louisiana
Statement of Cash Flows
For the Year Ended December 31, 2020

Cash Flows From Operating Activities

Change in Net Assets	\$ 113,143
Adjustments to Reconcile Increases in Net Assets to Net Cash Provided by Operating Activities	
Depreciation	2,537
(Increase) Decrease in Accounts Receivable	(33,533)
Increase (Decrease) in Accounts Payable	3,106
Increase (Decrease) in Payroll Liabilities	(521)
Increase (Decrease) in Accrued Leave	(1,301)
	<hr/>
Net Cash Provided (Used) by Operating Activities	<u>83,431</u>

Cash Flows From Investing Activities

Purchasd of Property and Equipment	<hr/> -
Net Cash Provided (Used) by Investing Activities	<hr/> -

Cash Flows From Financing Activities

Proceeds from Debt	-
Repayment of Debt	<hr/> (22,500)
Net Cash Provided (Used) by Financing Activities	<hr/> (22,500)

Net Increase (Decrease) in Cash	60,931
Cash and Equivalents- Beginning of Year	<hr/> 73,778
Cash and Equivalents- End of Year	<u><u>\$ 134,709</u></u>

For the year ended December 31, 2020, there were no significant investing or financing activities that did not result in cash flows. In addition, supplemental disclosures of cash flow information is presented as follows:

Cash Paid for Income Taxes	<u>\$ -</u>
Cash Paid for Interest Expense	<u><u>\$ -</u></u>

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

FAMILY JUSTICE CENTER

Notes to Financial Statements December 31, 2020

Note 1 – Significant Account Policies

Family Justice Center of Central Louisiana, Inc. (FJC) is a nonprofit corporation. The corporation's mission is preventing domestic violence and providing assistance to victims of domestic violence. Revenue to support FJC's operations is provided by grants and donations from government agencies, private sources and foundations.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this method, revenues are recognized when earned and expenses are recorded at the time liabilities are incurred.

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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents:

Cash and cash equivalents for the purpose of reporting cash flows consist of bank deposits and highly liquid investments with original maturities of three months or less.

Property and Equipment

Property and equipment are recorded at cost on the date of acquisition. Depreciation is computed using the straight-line method over estimated useful lives of 5 to 7 years. There are no significant amounts of property and equipment subject to donor imposed restrictions or time limits.

Donated Services and In-Kind Support

Sources of in-kind support are listed as follows:

- FJC occupies a facility in exchange for a nominal rental fee.
- For a portion of the year, FJC received accounting services free of charge.
- Materials and supplies were received from various donors.

The in-kind support has been provided by unaffiliated parties. The fair value of in-kind support is reported as a contribution without donor restrictions. The fair value of these contributions has also been used to fulfill matching requirements associated with its principal operating grant.

In addition, FJC receives donated services from unpaid volunteers who assist with activities and events. No amounts have been recognized in connection with the volunteer services because recognition criteria have not been satisfied.

FAMILY JUSTICE CENTER

Notes to Financial Statements December 31, 2020

Income Taxes

FJC has received a determination letter from the Internal Revenue Service stating that it is exempt from income taxes. In addition, it is also exempt from taxes which apply to private foundations.

Accrued Leave

FJC provides a leave policy that allows accumulation of unused annual leave that is carried forward each year. Upon separation of employment, FJC will pay annual leave up to certain maximums that vary depending on the employee's length of service. The remainder of unused annual leave and all sick leave is canceled.

Restricted Contributions

Grant funds awarded to FJC are typically subject to restrictions and are reported as donor restricted when the funds are earned.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services based on estimates determined by management. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Note 2 – Cash and Investments

Cash and investments are limited to demand deposits that are fully insured by the Federal Deposit Insurance Corporation (FDIC). These amounts are reported as cost, which approximates market values.

Note 3 – Receivables

Receivables are limited to amounts earned under grant arrangements. Due to the nature of these receivables, no collection problems are anticipated.

Note 4 – Property and Equipment

Property and equipment utilized in FJC's operations are summarized as follows:

Furniture, Fixtures and Equipment	\$ 10,145
Accumulated Depreciation	<u>(3,382)</u>
Furniture, Fixtures and Equipment (Net)	<u>\$ 6,763</u>

Depreciation expense for the year ended December 31, 2020 totaled \$2,537.

Note 5 - Managements' Review

Management has evaluated subsequent events through June 9, 2021, which is the date the financial statements were available to be issued. There were no subsequent events that require recording or disclosure in the financial statements.

FAMILY JUSTICE CENTER

Notes to Financial Statements December 31, 2020

Note 6 – Grant Contingencies

FJC participates in certain programs that are supported by grant funds. Management is confident that all significant grant conditions have been met; however, grantor agencies routinely review grant activity and could request reimbursement if a dispute occurs regarding compliance with grant conditions.

Note 7 - Concentrations

FJC receives the majority of its funding through the Louisiana Commission on Law Enforcement. Due to this source of dependence, operations could be impacted by any events that adversely affect the Louisiana Commission on Law Enforcement.

Note 8 – Liquidity and Availability of Financial Assets

Essentially all assets are of a financial nature. Liquidity is provided by maintaining cash reserves on deposit with a regulated financial institution. In addition, ongoing contractual arrangements with funding sources are expected to provide sufficient resources to meet cash needs for general expenditure during the subsequent period. Furthermore, supporters have made credit available to provide cash flow when other resources are not immediately available.

Note 9 – In-Kind Contributions

As discussed in Note 1, FJC has been the recipient of in-kind contributions. Details associated with these contributions are provided as follows:

<u>Description</u>	<u>Revenue Recognized (Fair Market Value)</u>
An office facility has been provided by a nonprofit organization that supports the FJC. The arrangement is informal and the FJC does not have a lease or any long-term claim on the facility.	\$ 55,920
Donations of supplies and other miscellaneous support	8,340
For the first five months of the year, accounting and bookkeeping services have been provided by a nonprofit organization that supports FJC. Services provided include maintaining the general ledger, payroll reporting, and financial reporting.	<u>5,000</u>
Total	<u>\$ 69,260</u>

Note 10 – Notes Payable

A supporter has advanced funds to FJC in order to assist with liquidity needs. Based on the terms of the arrangement the loan is unsecured, interest free, and payment is due on demand. Activity associated with this obligation is summarized as follows:

FAMILY JUSTICE CENTER

Notes to Financial Statements December 31, 2020

	Beginning Balance	Additions	Repayment	Ending Balance
Notes Payable	\$ 25,000	\$ ----	\$ 22,500	\$ 2,500

Note 11 - Prior Period Adjustment

Amounts reported as expenses in the financial statements for the previous year were erroneously overstated. These errors occurred because some checks were recorded that were never issued. The effect of the restatement on the previous financial statements are summarized as follows:

	<u>As Previously Reported</u>	<u>Prior Period Adjustment</u>	<u>As Restated</u>
<u>Statement of Financial Position</u>			
Cash and Equivalents	56,160	17,618	73,778
Total Net Assets	58,123	17,618	73,778
<u>Statement of Activities</u>			
Expenses	483,001	(17,618)	465,383
Change in Net Assets	(22,097)	17,618	(4,479)



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
Family Justice Center of Central Louisiana, 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 the Family Justice Center of Central Louisiana, Inc., (FJC) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, 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 our report thereon dated June 9, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered FJC'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 FJC's internal control. Accordingly, we do not express an opinion on the effectiveness of FJC'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings as items 2020-001, 2020-002, and 2020-003 that we consider to be significant deficiencies.



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Family Justice Center

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the FJC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



Rozier, McKay & Willis
Certified Public Accountants
Alexandria, Louisiana

June 9, 2021

FAMILY JUSTICE CENTER

Schedule of Findings December 31, 2020

Part I - Summary of Auditor's Results:

- The Independent Auditor's Report on the financial statements for the Family Justice Center of Central Louisiana, Inc. as of December 31, 2020 and for the year then ended expressed an unmodified opinion.
- Control deficiencies were disclosed during the audit of the financial statements. None of the control deficiencies described below were considered to be material weaknesses.
- No instances of noncompliance material to the financial statements of the FJC were disclosed during the audit.

Part II - Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:

2020-001 – Reporting Loan Balances:

- **Condition** – During the year, FJC had a single loan outstanding, but the financial statements did not accurately report the loan balance and repayments exceeded the required amount.
- **Criteria** – In order to properly report loan balances, loan proceeds should be reported as a liability and repayments should be reported as a reduction in the original liability. When properly applied this process accurately reports the loan balance.
- **Cause** – The process for properly recording loan transactions was not followed.
- **Effect** – Inaccurate loan balances were reported and lenders were overpaid.
- **Recommendation** – Began following the necessary practices for reporting loan activity.

2020-002 – Reporting In-Kind Contributions:

- **Condition** – An analysis of transactions reporting in-kind contributions revealed some errors that are summarized as follows:
 - For the final seven months of the year, the value of donated office space was not reported in the financial statements.
 - In-kind receipts of victim supplies included a total of eight transactions of \$3,000 each; however, the transactions were not supported by documentation and management was not aware of any purpose for recording these transactions.
 - In-kind receipts included \$1,000 per month for donated accounting services; however, accounting services received free of charge were discontinued in May. Accordingly, the amount was overstated by \$7,000.
- **Criteria** – Proper reporting requires a complete and accurate accounting of in-kind contributions.
- **Cause** – Management has not sufficiently monitored in-kind activity reported by accounting service providers.
- **Effect** – In-kind activity was not accurately reported.
- **Recommendation** - Establish procedures for ongoing monitoring and evaluation of in-kind amounts reported in the financial statements. In addition, we suggest developing a report detailing in-kind activity to be reviewed by the governing board on a regular basis.

Family Justice Center

Schedule of Findings (Continued)

December 31, 2020

2020-003 – Grant Reporting

- **Condition** - Accounting software utilized for financial reporting includes features that allow a profit and loss statement to be maintained for each grant program. The features were used to generate profit and loss statements for grants, but only to an extent. The profit and loss statements generated by the accounting software were not completely consistent with amounts appearing in reports submitted to grantors.
- **Criteria** – In order to prevent potential errors, financial statements should agree with reports issued to grantors or be reconciled to reports that grantors receive.
- **Cause** – Certain transactions effecting grants were not coded to those grants when amounts were recorded in the financial statements.
- **Effect** – Grant reports were not fully supported by financial statements and certain allowable cost were not submitted to grantors for reimbursement.
- **Recommendation** – Each transaction associated with a grant should be assigned to the appropriate grant when the transaction is recorded in the accounting software.

FAMILY JUSTICE CENTER

Managements' Corrective Action Plan December 31, 2020

<u>SECTION I</u> INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
<u>2020-001 – Reporting Loan Balances:</u> During the year, FJC had a single loan outstanding, but the financial statements did not accurately report the loan balance and repayments exceeded the required amount. In the future, we suggest recording loan proceeds as a liability and reducing the liability for the applicable portion of each loan payment.	<u>2020-001 - Managements' Response</u> In the future, loan transactions will be reported in the suggested manner.
<u>2020-002 – Reporting In-Kind Contributions:</u> An analysis of transactions reporting in-kind contributions revealed some errors. We suggest establishing procedures for ongoing monitoring and evaluation of in-kind amounts reported in the financial statements. In addition, we suggest developing a report detailing in-kind activity to be reviewed by the governing board on a regular basis.	<u>2020-002 - Managements' Response</u> We will establish monitoring procedures to eliminate further errors in reporting in-kind support.
<u>2020-003 – Grant Reporting</u> Accounting software utilized for financial reporting includes features that allow a profit and loss statement to be maintained for each grant program. The features were used to generate profit and loss statements for grants, but only to an extent. The profit and loss statements generated by the accounting software were not completely consistent with amounts appearing in reports submitted to grantors. In the future, each transaction associated with a grant should be assigned to the appropriate grant when the transaction is recorded in the accounting software.	<u>2020-003 – Managements' Response</u> In the future, we will establish procedures to ensure that financial statements agree with grant reports or reconcile the financial statements to the grant reports.
<u>SECTION II</u> MANAGEMENT LETTER	
No management letter was issued.	Response – N/A

FAMILY JUSTICE CENTER

**Schedule of Prior Year Findings
December 31, 2020**

No findings were reported in connection with the previous engagement.

Family Justice Center of Central Louisiana
Schedule of Compensation, Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended December 31, 2020

	Agency Head (Executive Director)
	<u>Carly Long</u>
Purpose:	
Compensation	<u>\$ 68,294</u>
Benefits	
Insurance	<u>\$ 10,898</u>
Reimbursements	
Postage	<u>\$ -</u>
Travel	<u>\$ -</u>