

**JEFFERSON CHILDREN'S ADVOCACY CENTER
GRETNA, LOUISIANA**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
DECEMBER 31, 2019**

**JEFFERSON CHILDREN’S ADVOCACY CENTER
GRETNA, LOUISIANA**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Jefferson Children's Advocacy Center
Gretna, Louisiana

I have audited the accompanying financial statements of the Jefferson Children's Advocacy Center (a non-profit organization), which comprise the statements of financial position as of December 31, 2019, and the related statements of activities, and cash flows for the years 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 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 *Governmental 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 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. 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 the Jefferson Children's Advocacy Center as of December 31, 2019, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated March 31, 2020, on my consideration of the Jefferson Children's Advocacy Center's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, 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 the 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 the Jefferson Children's Advocacy Center's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Paul C. Rivington, CPA". The signature is written in a cursive style.

Marrero, Louisiana
March 31, 2020

**JEFFERSON CHILDREN'S ADVOCACY CENTER
GRETNA, LOUISIANA**

**STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019**

	<u>2019</u>
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 126,550
Grants receivable	3,378
	<u>129,928</u>
Total Current Assets	<u>129,928</u>
PROPERTY AND EQUIPMENT	
Property and equipment, net of accumulated depreciation of \$70,031.	<u>20,449</u>
OTHER ASSETS	
Prepaid items	6,750
Deposits	650
	<u>7,400</u>
TOTAL ASSETS	<u>\$ 157,777</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	<u>\$ 8,492</u>
NET ASSETS	
Without donor restrictions	149,285
With donor restrictions	-
	<u>149,285</u>
Total Net Assets	<u>149,285</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 157,777</u>

The accompanying notes are an integral part of these statements.

**JEFFERSON CHILDREN'S ADVOCACY CENTER
GRETNA, LOUISIANA**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support			
Contributions	\$ 105,574	\$ -	\$ 105,574
Operating support and grants	-	19,900	19,900
Investment return, appropriated from short-term investments	1,782	-	1,782
Donated Salaries and benefits	248,171	-	248,171
Donated Facilities	15,000	-	15,000
Miscellaneous	38	-	38
Net assets released from restrictions			-
Satisfaction of program restrictions - JPSO JAG Grant	8,000	(8,000)	-
Satisfaction of program restrictions - Gretna VOCA Grant 2019	2,900	(2,900)	-
Satisfaction of program restrictions - LCAC/NCA/TRAKE 2019	2,000	(2,000)	-
Satisfaction of program restrictions - LCAC/NCA Grant 2019	7,000	(7,000)	-
	<u>390,465</u>	<u>-</u>	<u>390,465</u>
Total Revenues, Gains, and Other Support			
Expenses			
Program services	226,174	-	226,174
General and support services	115,335	-	115,335
Fundraising expenses	31,055	-	31,055
	<u>372,564</u>	<u>-</u>	<u>372,564</u>
Total Expenses			
TOTAL CHANGE IN NET ASSETS	17,901	-	17,901
NET ASSETS AT BEGINNING OF YEAR	131,384	-	131,384
NET ASSETS AT END OF YEAR	<u>\$ 149,285</u>	<u>\$ -</u>	<u>\$ 149,285</u>

The accompanying notes are an integral part of these statements.

**JEFFERSON CHILDREN'S ADVOCACY CENTER
GRETNA, LOUISIANA**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in Net Assets	\$ 17,901
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	2,403
Loss on disposal of equipment	-
Changes in operating assets and liabilities:	
Grants receivable	(1,578)
Contributions receivable	-
Prepaid items	31
Accounts Payable	7,062
Net Cash Provided By (Used In) Operating Activities	<u>25,819</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of fixed assets	(10,483)
Net Cash Provided By (Used In) Investing Activities	<u>(10,483)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	15,336
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	111,214
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 126,550</u></u>
NON-CASH ACTIVITIES:	
Acquisition of property through donations	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these statements.

**JEFFERSON CHILDREN'S ADVOCACY CENTER
GRETNA, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Activity

Jefferson Children's Advocacy Center (the Center) is a nonprofit organization dedicated to providing a child-oriented, multiple-disciplinary interview environment and counseling facility for abused children. The Center is supported by donor contributions and by provision of salaries and benefits of two of its employees by the Jefferson Parish District Attorney's office. The City of Gretna also provides salaries and benefits for two of the Center's employees through a state grant. Facilities are provided courtesy of the Parish of Jefferson.

Support and Expenses

Contributions received and unconditional promises to give are measured at their fair values. Support that is restricted by the donor is reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished) net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activity as net assets released from restrictions.

The Center reports gifts of goods and equipment as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Donated Services, Goods and Facilities

Materials and other assets received as donations are recorded and reflected in the accompanying financial statements at their fair values at the date of receipt.

**JEFFERSON CHILDREN'S ADVOCACY CENTER
GRETNA, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking accounts, savings accounts, or certificates of deposit.

Property and Equipment

Property and equipment are recorded at cost when purchased and at fair market value when received as a donation. Expenditures for maintenance, repairs, and minor renewals are charged against earnings as incurred. Depreciation is computed using the straight-line method over the useful lives of the assets. The lives range from 5 to 7 years.

Income Taxes

The Center is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under Section 121(5) of Title 47 of the Louisiana Revised Statutes of 1950. The Center is a non-private foundation under IRS guidelines.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of support and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Center has evaluated subsequent events through March 31, 2020, the date the financial statements were available to be issued.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents totaled \$126,550 at December 31, 2019 (including \$39,110 in certificates of deposit). The Federal Deposit Insurance Corporation (FDIC) insures the balances for up to \$250,000. At December 31, 2019, bank balances totaled \$126,550 and were covered by FDIC insurance.

**JEFFERSON CHILDREN'S ADVOCACY CENTER
GRETNA, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019**

3. PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2019 consisted of the following:

<u>Asset Category</u>	<u>2019</u>
Furniture and fixtures	\$ 19,839
Office equipment	50,439
Security system	1,391
Leasehold improvements	15,934
Computer software	2,877
	<u>90,480</u>
Less accumulated depreciation	(70,031)
Net book value	<u><u>\$ 20,449</u></u>

Depreciation expense for the year ended December 31, 2019 was \$2,403.

4. DONATED EMPLOYEES, GOODS AND FACILITIES

Donated employees, goods and facilities are included as follows in the accompanying financial statements:

	<u>Amount Provided</u>	<u>Less Matching Funds Paid</u>	<u>Amount Recognized</u>
Revenues/Source			
Donated salaries and benefits			
District Attorney	\$ 156,579	-	\$ 156,579
City of Gretna	109,054	(17,462)	91,592
	<u>265,633</u>	<u>(17,462)</u>	<u>248,171</u>
Donated facilities			
Jefferson Parish/District Attorney	15,000	-	15,000
Total Revenues	<u>\$ 280,633</u>	<u>\$ (17,462)</u>	<u>\$ 263,171</u>
Expenses			
Donated salaries and benefits	\$ 265,633	\$ (17,462)	\$ 248,171
Donated facilities	15,000	-	15,000
	<u>\$ 280,633</u>	<u>\$ (17,462)</u>	<u>\$ 263,171</u>

**JEFFERSON CHILDREN'S ADVOCACY CENTER
GRETN, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019**

4. DONATED EMPLOYEES, GOODS AND FACILITIES (CONTINUED)

The donated salaries and benefits represent the cost of employees assigned to the Center but employed and paid for by the Jefferson Parish District Attorney's Office and the City of Gretna. The City of Gretna began billing the Center for its share of the 20 percent match on the grant. The amount donated is reduced by the amount paid back to Gretna as a "match" on these salaries and benefits. For expense purposes, the \$263,171 is allocated \$151,567 to program services and \$96,604 to general and support, based on management's estimates and job duties.

The facility used by the Center was purchased by the Jefferson Parish District Attorney's office and donated to the Parish of Jefferson. The Parish allows the Center to use the facility rent-free. No formal agreement exists. The value of the donated facility is based on current market rates. Due to the continuing informal agreement, leasehold improvements have been capitalized over the life of the building.

All of the donated salaries and benefits and facilities are considered as "donated without restrictions".

5. AVAILABILITY OF FINANCIAL ASSETS

At December 31, 2019, the Center had the following financial assets available within one year of the balance sheet for general expenditures:

Cash and cash equivalents	S	126,550
Accounts (grants) receivable		<u>3,378</u>
	<u>S</u>	<u>129,928</u>

As part of the Center's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Center invests cash in excess of daily requirements in short-term investments (when available). The Center has no lines of credit on which to draw in case of unanticipated liquidity needs; therefore, short-term cash flows are carefully monitored.

**JEFFERSON CHILDREN'S ADVOCACY CENTER
GRETNA, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019**

6. EXPENSES BY NATURE AND FUNCTION

The costs of providing the various programs, general and support activities, and fundraising costs have been summarized in the table below.

Expense	Programs	General and Support	Fundraising	Total
Salaries and benefits	\$ 151,567	\$ 96,604	\$ -	\$ 248,171
Accounting/professional fees	-	2,000	-	2,000
Agency supplies	-	5,486	-	5,486
Bank charges	-	278	-	278
Children's needs - general	1,125	-	-	1,125
Counseling program	14,960	-	-	14,960
Community education	87	-	-	87
Computer supplies	84	36	-	120
Computer software & maintenance	91	39	-	130
Depreciation	1,682	721	-	2,403
Equipment repairs	-	-	-	-
Forensic Interview Program	16,397	-	-	16,397
Fundraising expenses	-	-	31,055	31,055
MDT needs/supplies	240	-	-	240
Miscellaneous	(36)	(16)	-	(52)
Occupancy	16,312	7,707	-	24,019
Office expense and postage	367	158	-	525
Prevention/Education program	460	-	-	460
Printing and copier costs	1,969	844	-	2,813
Public relations	-	700	-	700
Training	948	-	-	948
Travel	1,814	778	-	2,592
Victims Advocacy Program				
Professional fees	645	-	-	645
Salaries & benefits (Match)	17,462	-	-	17,462
Total Expenses	\$ 226,174	\$ 115,335	\$ 31,055	\$ 372,564

The Center incurs general and support costs which are attributable to one or more programs and/or supporting functions. These costs include depreciation, rent, office and computer supplies, postage, printing and copying costs, and utilities. These costs have been allocated among the programs (70 percent) and general and support (30 percent) activities based on management's estimates of time, square footage, and/or percentages used.

**JEFFERSON CHILDREN'S ADVOCACY CENTER
GRETNA, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019**

7. NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2019, there were no net assets with donor restrictions nor were there any Center imposed restrictions on any net assets.

The Center received a number of donor restricted funds/grants during 2019. A breakdown of the amounts received and spent are as follows:

<u>Program/Source Title</u>	<u>Amount</u>	<u>Federal CFDA No.</u>
Jefferson Parish Sheriff - JAG Grant 2018-19	\$ 8,000	16.738
LCLE/Gretna - VOCA/Victims Assist 2019	2,900	16.575
La Alliance of Children's Advocacy Ctrs - NCATRAK 2019	2,000	16.758
La Alliance of Children's Advocacy Ctrs - NCA 2019	7,000	16.758
	<u>\$ 19,900</u>	

The Jefferson Parish Sheriff passed through \$8,000 of Justice Assistance Grant (JAG) funds to the Center for some equipment. The VOCA (Victims of Crime Act) grants are federal funds and are passed through the Louisiana Commission on Law Enforcement to the City of Gretna and then on to the Center for miscellaneous training or supplies. The Louisiana Alliance of Children's Advocacy Centers receives Victims Assistance grants from either the National Children's Alliance or the Louisiana Commission on Law Enforcement (identified through CFDA # 16.758) and passes them down to the Center for operating cost reimbursements. All of the donor restricted funds have been spent in accordance with the program requirements.

At December 31, 2019, grants receivable have been accrued in the following amounts.

<u>Program/Source Title</u>	<u>Amount</u>
LCLE/Gretna - VOCA/Victims Assist 2019	\$ 333
La Alliance of Children's Advocacy Ctrs - NCA 2019	3,045
	<u>\$ 3,378</u>

These receivables relate to expenses incurred prior to year-end that have been claimed with the granting agencies but have not yet been received.

**JEFFERSON CHILDREN'S ADVOCACY CENTER
GRETNA, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2019**

8. CONTRIBUTIONS AND PROMISES TO GIVE

In 2019, the Center conducted activities that included requests for contributions (i.e., direct mail campaigns) and special events (including the annual gala). Contributions from these activities were recognized as revenues as follows:

<u>Activity</u>	<u>Revenue</u>
Contributions - Corporate	\$ 2,364
Contributions - Individuals	3,596
Fundraiser - Gala	99,614
	<u>\$ 105,574</u>

The indirect costs of conducting these fundraising activities remains in general and support costs, as they are not estimated. The direct costs of fundraising for the gala is captured and for 2019 totaled \$31,055. The Center also prepaid \$6,750 of expenses for future galas. These amounts are carried on the Statement of Financial Position as a prepaid item (other asset) and will be expensed in the year that the services are provided.

No significant promises to give to the Center exist at December 31, 2019, with the exception of the Jefferson Parish District Attorney's and the City of Gretna's implied promises to continue to pay the salaries and benefits of the Center's three employees; along with the Parish of Jefferson's continuing commitment to providing office space.

**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
Jefferson Children's Advocacy Center
Gretna, Louisiana

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Jefferson Children's Advocacy Center (the "Center"), a non-profit entity, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements, and have issued my report thereon dated March 31, 2020.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing my audit of the financial statements, I considered the Center'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Centers internal control. Accordingly, I do not express an opinion on the effectiveness of the Center'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 Center's financial statements will not be prevented, or detected and corrected in 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be a material weakness. However, material weaknesses may exist that have not been identified. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses, that I consider to be significant deficiencies in internal control (See Findings SD# 19-01, SD # 19-02 and SD # 19-03).

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Center'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 audit and, accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

THE CENTER'S RESPONSES TO FINDINGS

The Center's responses to the findings identified in my audit are described in the accompanying Schedule of Findings and Responses. The Center's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on them.

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 Center'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.

Paul C. Rivera, CPA

March 31, 2020

**JEFFERSON CHILDREN'S ADVOCACY CENTER
GRETNA, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended December 31, 2019**

I have audited the financial statements of the Jefferson Children's Advocacy Center (the "Center"), as of and for the year ended December 31, 2019, and have issued my report thereon dated March 31, 2020. 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. My audit of the financial statements as of December 31, 2019 resulted in an unqualified opinion.

SECTION I - SUMMARY OF AUDITOR'S RESULTS

- The auditor's report expresses an unqualified opinion on the financial statements of the Center for the fiscal year ended December 31, 2019.
- Two significant deficiencies disclosed during the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. These items are discussed in detail below. No material weaknesses were reported.
- No instances of noncompliance material to the financial statements of the Center were disclosed during the audit.
- The Center was not subject to a Single Audit under OMB's Uniform Guidance Circulars.
- No separate written management letter was issued for the year ended December 31, 2019.

SECTION II - FINANCIAL STATEMENT FINDINGS

SIGNIFICANT DEFICIENCIES

SD Comment # 19-01 - Inadequate Segregation of Duties

Condition - I noted that the size of the Center's operations are too small to provide for an adequate segregation of duties. The Center's bookkeeper is charged with most of the responsibilities relating to the cash receipts, cash disbursements, bank reconciliations and financial reporting cycles. The Center does, however, have various controls in place which tend to mitigate this problem, including (1) having another person review and initial all bank reconciliations, (2) requiring dual signatures on all checks, and (3) requiring the presentation of financial reports on a monthly basis.

**JEFFERSON CHILDREN'S ADVOCACY CENTER
GRETN, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
For the Year Ended December 31, 2019**

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

Recommendation - Employing additional controls may not be cost beneficial; however, the Board should remain cognizant of the lack of segregation of duties.

Response - We are aware of the condition, however, at this point we are not in the financial position of addressing the problem. The Board is aware of the condition and will continue to monitor the financial activity of the Center in a timely manner.

SD Comment # 19-02 - Preparation of Financial Statements by Auditor

Condition and Criteria – The Center does not have controls in place for proper oversight of its financial reporting and for the preparation of financial statements in accordance with generally accepted accounting principles. As is common in small organizations, the Center has chosen to engage the auditor to prepare its annual financial statements. This condition is intentional by management, along with the cost effectiveness of acquiring the ability to prepare the financial statements in accordance with generally accepted accounting principles.

Cause - Statement of Auditing Standards (SAS) 115 requires that I report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

Recommendation - As mentioned, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 115's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies noted under SAS 115. In this case, I do not believe that curing the significant deficiency described in this finding would be cost effective or practical and accordingly, I do not believe any corrective action is necessary.

Management's Response – The Center's Director and staff are familiar with the day-to-day accounting requirements and the monthly cash basis reporting requirements; however, due to limited staffing and funding, we do not consider it practical to provide sufficient training to our staff in order to eliminate this condition and can only continue to rely on the auditor to prepare the financial statements at this time.

**JEFFERSON CHILDREN'S ADVOCACY CENTER
GRETNA, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
For the Year Ended December 31, 2019**

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

SD Comment # 19-03 – Amounts for Donated Services and Facilities Not Recorded in a Timely Manner

Condition and Criteria – The Center receives donated services and facilities from various entities throughout the year. Generally accepted accounting principles require that these amounts be captured and recorded on the books of the Center (typically as a revenue source offset by an expense). The Center does not currently capture the information on donated services and facilities until year end. Thus, the amounts donated are not being recorded in a timely manner.

Cause – The services donated are in the form of salaries and benefits coming from local government agencies (the City of Gretna and the Jefferson Parish District Attorney). There is no procedure in place for those agencies to gather and report the salaries and benefits of employees assigned to the Center on a monthly or quarterly basis. The amounts are typically gathered at year-end upon request in order to complete the audit.

Recommendation – The Center should approach these agencies to determine whether they could provide salary and benefit data on at least a quarterly basis. This would allow the Center to record the donated services in a timelier manner.

Management's Response – The Center's Director will contact the agencies concerned to determine whether this is possible.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not Applicable

**JEFFERSON CHILDREN'S ADVOCACY CENTER
GRETNA, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
For the Year Ended December 31, 2019**

SECTION IV - STATUS OF PRIOR YEAR FINDINGS

The status of findings and questioned costs noted in prior years is noted below:

FINANCIAL STATEMENT FINDINGS

Prior Year Comment No.	Description	Status
SD # 18-01	Inadequate segregation of duties.	Not Yet Resolved. See CY SD Comment # 19-01
SD # 18-02	Accruals on grants not being recorded at year- end.	Resolved.
SD # 18-03	Donated services and Facilities not being recorded in a timely manner.	Not Yet Resolved. See CY SD Comment # 19-03
SD # 18-04	Preparation of financial statements is done by external auditor.	Not Yet Resolved. See CY SD Comment # 19-02

{END OF REPORT}