



**Gingerbread House Bossier/Caddo  
Children's Advocacy Center, Inc.**

**FINANCIAL STATEMENTS**

**December 31, 2021 and 2020**



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# REPORT





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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Gingerbread House Bossier/Caddo  
Children's Advocacy Center, Inc.  
Shreveport, Louisiana

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of the Gingerbread House Bossier/Caddo Children's Advocacy Center, Inc. (a not-for-profit corporation), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Gingerbread House Bossier/Caddo Children's Advocacy Center, Inc. as of December 31, 2021 and 2020, 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.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Gingerbread House Bossier/Caddo Children's Advocacy Center, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Correction of Error***

As discussed in Note 3 to the financial statements, certain errors resulting in understatement of amounts previously reported for Accrued Payroll and Taxes as of December 31, 2020, were discovered by management of the Gingerbread House Bossier/Caddo Children's Advocacy Center, Inc. during the current year. Accordingly, amounts reported for Accrued Payroll and Taxes and Other Revenue and Support have been restated in the 2020 financial statements now presented to correct the error. Our opinion is not modified with respect to that matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Gingerbread House Bossier/Caddo Children's Advocacy Center, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Gingerbread House Bossier/Caddo Children's Advocacy Center, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Gingerbread House Bossier/Caddo Children's Advocacy Center, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022, on our consideration of the Gingerbread House Bossier/Caddo Children’s Advocacy Center, Inc.’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Gingerbread House Bossier/Caddo Children’s Advocacy Center, Inc.’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Gingerbread House Bossier/Caddo Children’s Advocacy Center, Inc.’s internal control over financial reporting and compliance.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana  
June 30, 2022



# FINANCIAL STATEMENTS



**Gingerbread House Bossier/Caddo  
Children's Advocacy Center, Inc.  
Statements of Financial Position**

<i>December 31,</i>	<b>2021</b>	2020 (Restated)
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 561,356	\$ 446,102
Individual contributions receivable	5,625	2,150
Foundation and corporate support receivable	10,295	23,528
Federal, state, and local grants receivable	137,055	112,740
Other current assets	869	869
Total current assets	<b>715,200</b>	585,389
Non-current assets		
Property and equipment, net	72,551	38,709
Beneficial interest in assets of foundation	287,731	200,887
Total non-current assets	<b>360,282</b>	239,596
Total assets	<b>\$ 1,075,482</b>	\$ 824,985
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable	\$ 1,218	\$ 28,681
Accrued payroll and taxes	124,686	67,455
Total current liabilities	<b>125,904</b>	96,136
Total liabilities	<b>125,904</b>	96,136
Net assets		
Without donor restrictions	882,078	663,849
With donor restrictions	67,500	65,000
Total net assets	<b>949,578</b>	728,849
Total liabilities and net assets	<b>\$ 1,075,482</b>	\$ 824,985

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



**Gingerbread House Bossier/Caddo  
Children's Advocacy Center, Inc.  
Statement of Activities**

<i>For the year ended December 31, 2021</i>	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Other Support</b>			
Contributions	\$ 164,116	\$ -	\$ 164,116
Foundation and corporate grants	347,381	67,500	414,881
Federal, state, and local grants	537,526	-	537,526
In-kind rent	69,852	-	69,852
Realized and unrealized gains on beneficial interest in assets of foundation	31,622	-	31,622
Other revenue and support	7,502	-	7,502
Fundraising	152,713	-	152,713
Less cost of direct benefits to donors	(14,562)	-	(14,562)
<b>Net revenue from fundraising activities</b>	<b>138,151</b>	<b>-</b>	<b>138,151</b>
Net assets released from restrictions	65,000	(65,000)	-
<b>Total revenue and other support</b>	<b>1,361,150</b>	<b>2,500</b>	<b>1,363,650</b>
<b>Expenses</b>			
Program services	941,028	-	941,028
Support services			
Management and general	136,650	-	136,650
Fundraising	65,243	-	65,243
<b>Total support services</b>	<b>201,893</b>	<b>-</b>	<b>201,893</b>
<b>Total expenses</b>	<b>1,142,921</b>	<b>-</b>	<b>1,142,921</b>
Change in net assets	218,229	2,500	220,729
Net assets at beginning of year	663,849	65,000	728,849
<b>Net assets at end of year</b>	<b>\$ 882,078</b>	<b>\$ 67,500</b>	<b>\$ 949,578</b>

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

**Gingerbread House Bossier/Caddo  
Children's Advocacy Center, Inc.  
Statement of Activities**

<i>For the year ended December 31, 2020 (Restated)</i>	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Other Support</b>			
Contributions	\$ 132,795	\$ -	\$ 132,795
Foundation and corporate grants	493,645	65,000	558,645
Federal, state, and local grants	359,029	-	359,029
In-kind rent	65,441	-	65,441
Realized and unrealized gains on beneficial interest in assets of foundation	16,522	-	16,522
Other revenue and support	3,587	-	3,587
 Fundraising	 55,338	 -	 55,338
Less cost of direct benefits to donors	-	-	-
<b>Net revenue from fundraising activities</b>	<b>55,338</b>	<b>-</b>	<b>55,338</b>
 Net assets released from restrictions	 33,000	 (33,000)	 -
 <b>Total revenue and other support</b>	 <b>1,159,357</b>	 <b>32,000</b>	 <b>1,191,357</b>
<b>Expenses</b>			
Program services	884,411	-	884,411
Support services			
Management and general	78,254	-	78,254
Fundraising	5,799	-	5,799
<b>Total support services</b>	<b>84,053</b>	<b>-</b>	<b>84,053</b>
<b>Total expenses</b>	<b>968,464</b>	<b>-</b>	<b>968,464</b>
 Change in net assets	 190,893	 32,000	 222,893
Net assets at beginning of year	472,956	33,000	505,956
 Net assets at end of year	 \$ 663,849	 \$ 65,000	 \$ 728,849

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

**Gingerbread House Bossier/Caddo  
Children's Advocacy Center, Inc.  
Statement of Functional Expenses**

<i>For the year ended December 31, 2021</i>	Program Services	Support Services		Totals
		Management and General	Fundraising	
Salaries and payroll taxes	\$ 662,352	\$ 82,234	\$ -	\$ 744,586
Accounting and professional services	9,931	3,010	-	12,941
Dues and subscriptions	4,454	-	-	4,454
Depreciation	13,050	1,864	-	14,914
Insurance	73,883	6,112	-	79,995
Office supplies	17,080	8,495	-	25,575
Postage	2,054	1,120	-	3,174
Printing	12,115	-	14,943	27,058
Repairs and maintenance	24,979	5,045	-	30,024
Rent	61,120	8,733	-	69,853
Technology and website	1,551	3,142	-	4,693
Training and travel	20,677	2,121	-	22,798
Utilities and telephone	14,895	3,649	-	18,544
Other	22,887	11,125	50,300	84,312
<b>Total</b>	<b>\$ 941,028</b>	<b>\$ 136,650</b>	<b>\$ 65,243</b>	<b>\$ 1,142,921</b>

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

**Gingerbread House Bossier/Caddo  
Children's Advocacy Center, Inc.  
Statement of Functional Expenses**

<i>For the year ended December 31, 2020</i>	Program Services	Support Services		Totals
		Management and General	Fundraising	
Salaries and payroll taxes	\$ 596,526	\$ 40,628	\$ -	\$ 637,154
Accounting and professional services	9,931	2,559	-	12,490
Dues and subscriptions	4,315	-	-	4,315
Depreciation	7,657	1,094	-	8,751
Insurance	62,578	6,489	-	69,067
Office supplies	65,915	2,652	-	68,567
Postage	2,326	889	-	3,215
Printing	3,977	-	-	3,977
Repairs and maintenance	22,756	2,873	-	25,629
Rent	57,373	8,196	-	65,569
Technology and website	2,018	114	-	2,132
Training and travel	20,592	388	-	20,980
Utilities and telephone	16,739	2,391	-	19,130
Other	11,708	9,981	5,799	27,488
<b>Total</b>	<b>\$ 884,411</b>	<b>\$ 78,254</b>	<b>\$ 5,799</b>	<b>\$ 968,464</b>

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

**Gingerbread House Bossier/Caddo  
Children's Advocacy Center, Inc.  
Statements of Cash Flows**

<i>For the years ended December 31,</i>	<b>2021</b>	2020 (Restated)
<b>Operating Activities</b>		
Change in net assets	\$ 220,729	\$ 222,893
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	14,914	8,751
(Gain) loss on disposal of assets	-	127
Change in beneficial interest in assets of foundation	(36,844)	(18,420)
Changes in operating assets and liabilities		
Individual contributions receivable	(3,475)	(639)
Foundation and corporate support receivable	13,233	5,075
Federal, state, and local grants receivable	(24,315)	(53,576)
Accounts payable	(27,463)	26,641
Accrued payroll and taxes	57,231	30,483
<b>Net cash provided by (used in) operating activities</b>	<b>214,010</b>	<b>221,335</b>
<b>Investing activities</b>		
Purchase of property and equipment	(48,756)	(8,334)
Purchase of beneficial interest in assets of foundation	(55,100)	(43,675)
Distributions received from beneficial interest in assets of foundation	5,100	3,675
<b>Cash provided by (used in) investing activities</b>	<b>(98,756)</b>	<b>(48,334)</b>
<b>Net change in cash and cash equivalents</b>	<b>115,254</b>	<b>173,001</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>446,102</b>	<b>273,101</b>
Change in net assets		
<b>Cash and cash equivalents, end of year</b>	<b>\$ 561,356</b>	<b>\$ 446,102</b>

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

**Gingerbread House Bossier/Caddo  
Children's Advocacy Center, Inc.  
Notes to the Financial Statements**

**Note 1: DESCRIPTION OF THE ORGANIZATION**

The Gingerbread House Bossier/Caddo Children's Advocacy Center, Inc. (Gingerbread House) is a not-for-profit corporation formed under the laws of the State of Louisiana. It began serving abused children in the Louisiana parishes of Bossier and Caddo in 1998. Since then, it has expanded to serve Bossier, Caddo, Webster, DeSoto, Bienville, Claiborne, Natchitoches, Red River, and Sabine parishes in northwest Louisiana. The mission of Gingerbread House is to work to prevent child abuse, be an advocate for children and families who have experienced abuse, and assist in the legal process. Gingerbread House works in collaboration with local law enforcement, child protective services, the district attorneys' offices, and medical and mental health professionals to provide services for abused children and their families. All services are provided at no cost to the victim's family or referring agency. Gingerbread House is supported primarily through government grants, foundation and corporate grants, and public contributions. Gingerbread House's services include the following:

***Forensic Interviews***

Gingerbread House employs forensic child interviewers trained in obtaining the details necessary to conduct effective and complete investigations of child sexual and severe physical abuse cases in a non-threatening manner. Children ages 2-16 from all social, economic and ethnic backgrounds are served.

***Multidisciplinary Investigations***

Gingerbread House has established a Multidisciplinary Team (MDT) approach for responding to child abuse cases. The MDT consists of members from law enforcement, the Department of Children & Family Services, the District Attorneys' offices, and medical and mental health agencies. All cases are coordinated, reviewed, and tracked by the MDT.

***Child Life***

The Child Life program helps reduce stress levels in children undergoing forensic evaluations to provide optimal opportunities for accurate and complete disclosures.

***Mental Health Therapy Interventions***

Trauma-informed counseling services for child victims interviewed at the Gingerbread House and their non-offending caregivers are offered at the Gingerbread House by Licensed Professional Counselors and Licensed Master Social Workers at no cost to the victim's family.

**Gingerbread House Bossier/Caddo  
Children's Advocacy Center, Inc.  
Notes to the Financial Statements**

**Note 1: DESCRIPTION OF THE ORGANIZATION (Continued)**

***Family Advocacy and Supportive Services***

Gingerbread House offers referral services for child abuse victims and their families. Educational support groups for both child victims and their non-offending family members are offered year-round. Adult groups are facilitated by the primary Counselor and children's groups are facilitated by the Family Advocate and trained volunteers. In addition, Gingerbread House coordinates annual outreach programs in the local community.

***Community Education and Prevention Services***

Gingerbread House coordinates local efforts in child abuse education and awareness. Services include *Knowledge is Power*, *Stewards of Children*, and *Love 146: Not a #Number*. *Knowledge is Power* is a body safety/sexual abuse risk-reduction program with components for children (preschool through high school level), school personnel and other mandated reporters, and parents. *Stewards of Children* is a nationally recognized, evidence based program for adults by the organization Darkness to Light. *Love 146: Not a #Number* is a child trafficking and exploitation prevention curriculum for youth ages 12-18. In addition, Gingerbread House conducts numerous presentations for community organizations on topics related to child abuse.

***Professional Development and Training Opportunities***

Gingerbread House provides ongoing training for members of the Multidisciplinary Team and local agencies working in the field of child abuse. Events include spring MDT training, cultural diversity workshops, videoconferences (through partnership with local agencies), national conferences such as National Symposium on Child Abuse (Huntsville, AL) and Crimes Against Children (Dallas, TX), and a number of other training opportunities.

***Human Trafficking***

Through the Louisiana Child & Youth Trafficking Collaborative and in collaboration with the Louisiana Alliance of Children's Advocacy Centers, the Gingerbread House houses the Regional Child & Youth Trafficking Coordinator for the Shreveport Region. The Human Trafficking program provides intensive case management for at-risk and confirmed victims of child sex trafficking with the statewide goal of improving outcomes for child and youth victims of trafficking.

**Gingerbread House Bossier/Caddo  
Children's Advocacy Center, Inc.  
Notes to the Financial Statements**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***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 (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

***Use of Estimates***

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to the allocation of functional expenses and the valuation of noncash donations.

***Cash and Cash Equivalents***

Cash and cash equivalents include cash and all highly liquid investments with a remaining maturity at date of purchase of three months or less to be cash equivalents. Cash and cash equivalents consist principally of demand deposits at commercial banks. There were no cash equivalents at December 31, 2021 and 2020.

***Accounts Receivable***

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. Gingerbread House provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of payors to meet their obligations. The allowance for doubtful accounts is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the receivables in light of historical experience, the nature and type of account, adverse situations that may affect the payor's ability to pay and prevailing economic conditions. This evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available. Receivables deemed uncollectible are charged off against the allowance when management believes the uncollectibility is confirmed. All receivables are considered to be fully collectible within one year; accordingly, no allowance for uncollectible receivables has been recognized at December 31, 2021 and 2020.



**Gingerbread House Bossier/Caddo  
Children's Advocacy Center, Inc.  
Notes to the Financial Statements**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Promises to Give***

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met or explicitly waived by the donor. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

***Property and Equipment***

All acquisitions of property and equipment in excess of \$1,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

***Beneficial Interest in Assets of Foundation***

Transfers of its funds to the Community Foundation of North Louisiana, specifying the Gingerbread House as the beneficiary, are accounted for as an asset, in accordance with U.S. GAAP, and presented in these statements of financial position in the caption Beneficial Interest in Assets of Foundation.

***Net Assets***

Gingerbread House reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Gingerbread House, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

**Gingerbread House Bossier/Caddo  
Children's Advocacy Center, Inc.  
Notes to the Financial Statements**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

***Revenue Recognition***

Contributions, grants, and public support are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

Effective January 1, 2020, exchange transactions are accounted for under ASC Topic 606, *Revenue from Contracts with Customers* (Topic 606), recognizing revenue when performance obligations under the terms of the contracts with patrons are satisfied. Fundraising revenue is comprised of an exchange element based upon the direct benefits donors receive, and a contribution element for the difference. Revenue equal to the fair value of the direct benefits to donors is recognized when the fundraising event takes place. The contribution element of fundraising revenue is recognized immediately. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of the direct benefits donors receive at fundraising events is measured at actual cost.

***Donated Assets***

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

***Donated Services***

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Gingerbread House. Volunteers also provide services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

**Gingerbread House Bossier/Caddo  
Children's Advocacy Center, Inc.  
Notes to the Financial Statements**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Functional Allocation of Expenses***

Directly identifiable expenses are charged to programs and supporting services. Certain costs have been allocated among the programs and supporting services benefited. Salaries, payroll taxes and other benefits allocated based on estimates of time and effort. Liability insurance, depreciation, utilities and telephone are allocated based on management's estimates.

***Retirement Plan***

During the year ended December 31, 2016, the Gingerbread House established a SIMPLE IRA retirement plan covering all employees who meet the eligibility requirements. The Gingerbread House matches employees' contributions up to 3%. Contributions to the plan for the years ended December 31, 2021 and 2020, were \$15,316 and \$17,919, respectively.

***Income Taxes***

Under provisions of Section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of the State of Louisiana, the Gingerbread House is exempt from income taxes, except from unrelated business income. There were no unrelated business activities for the years ended December 31, 2021 and 2020. Accordingly, no tax expense was incurred for the years ended December 31, 2021 and 2020.

The Gingerbread House utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of FASB ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of December 31, 2021 and 2020, the Gingerbread House has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements.

***Reclassifications***

Certain reclassifications were made to prior year balances to conform with current year presentation.

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 30, 2022, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**Gingerbread House Bossier/Caddo  
Children's Advocacy Center, Inc.  
Notes to the Financial Statements**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recent Accounting Pronouncements***

In May 2014, the Financial Accounting Standards Board issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). This guidance specifies that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU and its amendments supersede the revenue recognition requirements in Topic 605, *Revenue Recognition*, and most industry specific guidance.

Effective January 1, 2020, Gingerbread House adopted Topic 606, using the modified retrospective method. This method allows the standard to be adopted retrospectively through a cumulative adjustment to net assets recognized upon adoption. There was no cumulative adjustment necessary as a result of initially applying the new revenue standard.

***Accounting Guidance Not Yet Adopted***

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, entitled *Leases*. Under the guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. For nonpublic entities, the standard is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Gingerbread House is currently evaluating the impact of the guidance on its financial statements.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, to bring more transparency and consistency to the presentation and disclosure of gifts-in-kind (GIKs). While many not-for-profits (NFPs) already separately report GIKs and make some of the disclosures required by ASU 2020-07, the new standard will bring presentation and disclosure consistency across NFPs. The standard is effective for fiscal years beginning after June 15, 2021. Early adoption is permitted. The Gingerbread House is currently evaluating the impact of the guidance on its financial statements.

**Note 3: PRIOR PERIOD ADJUSTMENT**

As a result of an internal review of the Gingerbread House's payroll tax returns filed during 2020, management discovered that prior year accrued payroll taxes were understated by \$16,123. The Form 941 filed for the second quarter of 2020 erroneously reported a \$16,123 understatement of tax due. When the IRS contacted the Gingerbread House regarding the apparent overpayment of taxes and an available credit, the Gingerbread House reported Other Revenue and Support in 2020 in the amount of \$16,123.

**Gingerbread House Bossier/Caddo  
Children’s Advocacy Center, Inc.  
Notes to the Financial Statements**

**Note 3: PRIOR PERIOD ADJUSTMENT (Continued)**

Amounts reported for Accrued Payroll and Taxes and Other Revenue and Support have been restated in the 2020 financial statements now presented to correct the error. The effect of the restatement on the change in net assets without donor restrictions and financial position as of and for the year ended December 31, 2020, is as follows:

	As Previously Reported	Restated	Amount of Restatement
Accrued payroll and taxes	\$ 51,332	\$ 67,455	\$ 16,123
Net assets without donor restrictions	\$ 679,972	\$ 663,849	\$ (16,123)
Other revenue and support	\$ 19,710	\$ 3,587	\$ (16,123)
Change in net assets	\$ 239,016	\$ 222,893	\$ (16,123)

**Note 4: FINANCIAL ASSET AVAILABILITY**

Gingerbread House maintains its financial assets primarily in cash to provide liquidity to ensure funds are available as the expenditures come due. Gingerbread House has the following financial assets that could readily be made available within one year of the statement of financial position date to fund expenses without limitations:

<i>December 31,</i>	<b>2021</b>	2020
Cash and cash equivalents	<b>\$ 561,356</b>	\$ 446,102
Individual contributions receivable	<b>5,625</b>	2,150
Foundation and corporate support receivable	<b>10,295</b>	23,528
Federal, state, and local grants receivable	<b>137,055</b>	112,740
Financial assets available to meet cash needs for general expenditures within one year	<b>\$ 714,331</b>	\$ 584,520

Gingerbread House is primarily supported by contributions, grants and public support. Gingerbread House’s net assets with donor restrictions are available for general expenditures within one year of December 31, 2021, because the restrictions on the net assets are expected to be met by conducting the normal activities of Gingerbread House’s programs in the coming year. Accordingly, the related resources have been included in the quantitative information detailing the financial assets available to meet general expenditures within one year. Management believes Gingerbread House has sufficient financial assets available for general operations that may be drawn upon in the event of unanticipated financial distress or an immediate liquidity need. As discussed in more detail in Note 8, Gingerbread House maintains a \$30,000 line of credit, of which \$30,000 was available as of December 31, 2021.

**Gingerbread House Bossier/Caddo  
Children's Advocacy Center, Inc.  
Notes to the Financial Statements**

**Note 5: PROPERTY AND EQUIPMENT**

<i>December 31,</i>	Estimated Useful Lives (in years)	<b>2021</b>	2020
Leasehold improvements	10 - 15	\$ 16,773	\$ 16,773
Office equipment	5 - 7	78,772	44,423
Furniture and fixtures	5 - 7	15,793	16,784
Total property and equipment		<b>111,338</b>	77,980
Accumulated depreciation		<b>(38,787)</b>	(39,271)
Property and equipment, net		<b>\$ 72,551</b>	\$ 38,709

Depreciation expense was \$14,915 and \$8,751 for the years ended December 31, 2021 and 2020, respectively.

**Note 6: BENEFICIAL INTEREST IN ASSETS OF FOUNDATION**

During 2016, the Board of Directors approved the establishment of an endowment fund at the Community Foundation of North Louisiana (the Foundation). Under the terms of the agreement, variance power and legal ownership of the funds rest with the Foundation, the Gingerbread House is the beneficiary of the reciprocal transfer.

Net investment income and/or capital appreciation (depreciation) of the endowment fund must be distributed to the Gingerbread House at least annually, provided the average market value is greater than the amount contributed to the fund.

Activity of this beneficial interest is summarized as follows:

Balance at January 1, 2019	\$ 142,467
Contributions	43,675
Interest	3,038
Net realized and unrealized gains (losses)	16,522
Administrative fees	(1,140)
Agency distributions	(3,675)
Balance at December 31, 2020	200,887
Contributions	55,100
Interest	6,813
Net realized and unrealized gains (losses)	31,622
Administrative fees	(1,591)
Agency distributions	(5,100)
Balance at December 31, 2021	\$ 287,731

**Gingerbread House Bossier/Caddo  
Children's Advocacy Center, Inc.  
Notes to the Financial Statements**

**Note 7: CONTINGENT LIABILITIES**

The Gingerbread House receives grants that are subject to review and audit by the agency providing the funding. Such reviews and audits could result in expenses being disallowed under the terms and conditions of the grants. In the opinion of management, such disallowances, if any, would be immaterial.

**Note 8: LINE OF CREDIT**

The Gingerbread House has a \$30,000 line of credit with a bank at a variable interest rate of 2% over the Wall Street Journal Prime (5.25% at December 31, 2021), collateralized by deposits with the lender, chattel paper, accounts, and general intangibles with a carrying amount of \$715,200 at December 31, 2021. The line of credit expired June 2, 2021, and was renewed for a one year term ending June 2, 2022. No draws were made on this line of credit in 2021 or 2020, and the balance at December 31, 2021 and 2020 was \$0.

**Note 9: NET ASSETS**

A summary of net assets without donor restrictions follows:

<i>December 31,</i>	<b>2021</b>	2020
Undesignated	\$ 594,347	\$ 462,962
Board designated		
Beneficial interest in assets of foundation	<b>287,731</b>	200,887
<b>Total net assets without donor restrictions</b>	<b>\$ 882,078</b>	<b>\$ 663,849</b>

A summary of net assets with donor restrictions follows:

<i>December 31,</i>	<b>2021</b>	2020
Time restricted	\$ 67,500	\$ 65,000
<b>Total net assets with donor restrictions</b>	<b>\$ 67,500</b>	<b>\$ 65,000</b>

**Gingerbread House Bossier/Caddo  
Children's Advocacy Center, Inc.  
Notes to the Financial Statements**

**Note 9: NET ASSETS (Continued)**

A summary of the release of donor restrictions follows:

<i>For the years ended December 31,</i>	<b>2021</b>	2020
Time restrictions	\$ 65,000	\$ 33,000
Total net assets released from restrictions	\$ 65,000	\$ 33,000

**Note 10: FUNDRAISING ACTIVITIES**

The Gingerbread House held various fundraising events in 2021 and 2020, which included the 2021 luncheon with a noted guest speaker. The annual luncheon was cancelled in 2020 because of the COVID-19 pandemic, and it was replaced with a special giving campaign. Gross receipts from fundraising events consist of exchange transaction revenue equal to the fair value of the direct benefits to donors and contribution revenue for the difference. Because fundraising activities are performed entirely within each fiscal year, there are no receivables or liabilities relate to fundraising activities at December 31, 2021 and 2020.

Fundraising revenue and expenses for the years ended December 31, 2021 and 2020, were as follows:

<i>For the years ended December 31,</i>	<b>2021</b>	2020
Fundraising revenue		
Annual luncheon ticket sales, donations, sponsorships	\$ 77,886	\$ -
Gifts in-kind for luncheon	45,131	-
Special giving campaign	-	39,276
Six hours of caring	11,766	-
Restaurant gift card fundraiser	15,780	12,062
Food truck block party	2,150	4,000
Less cost of direct benefits to donors	(14,562)	-
Total net revenue from all fundraisers	<b>138,151</b>	55,338
Fundraising expenses		
Luncheon expenses	19,215	-
In-kind luncheon expenses	41,231	-
Other fundraising expenses	4,797	5,799
Total fundraising expenses	<b>65,243</b>	5,799
Change in net assets without donor restrictions from fundraising	\$ 72,908	\$ 49,539



**Gingerbread House Bossier/Caddo  
Children’s Advocacy Center, Inc.  
Notes to the Financial Statements**

**Note 11: NONCASH DONATIONS**

During the years ended December 31, 2021 and 2020, the Gingerbread House received the following noncash donations of use of facilities and fundraising items that have been reflected in the financial statements of the Gingerbread House:

<i>December 31,</i>	<b>2021</b>	<b>2020</b>
In-kind rent		
Use of facilities	\$ <b>69,852</b>	\$ 65,441
In-kind fundraising		
Design and printing services	\$ <b>14,943</b>	\$ -
Donated meals	<b>3,900</b>	-
Facility rental and audiovisual services	<b>5,400</b>	-
Advertising	<b>9,250</b>	-
Other donated items	<b>11,638</b>	-
<b>Total in-kind fundraising</b>	<b>\$ 45,131</b>	<b>\$ -</b>

As described in Note 12, Gingerbread House leases office space from Christus Health Northern Louisiana, d/b/a Christus Schumpert Health System for \$1 annually. The approximate fair market value of the use of the facilities is donated by Christus Health Northern Louisiana. Amounts have been recognized as revenues and expenses in the accompanying financial statements for the approximate fair market value of the donated facilities of \$69,852 and \$65,441 for the years ended December 31, 2021 and 2020, respectively.

**Note 12: OPERATING LEASE**

The Gingerbread House leases its office space from Christus Health Northern Louisiana, d/b/a Christus Schumpert Health System for \$1 per year. The current term of the lease covers the period from February 1, 2021, to January 31, 2022, and was renewed for an additional twelve month period ending January 31, 2023, subsequent to year end. The difference between the amount paid and the approximate fair market value of using the facility have been recognized as in-kind rent as described in Note 11.

**Gingerbread House Bossier/Caddo  
Children's Advocacy Center, Inc.  
Notes to the Financial Statements**

**Note 13: CONCENTRATIONS**

Financial instruments that are exposed to concentrations of credit risk consist of cash and grants, support and contribution receivables.

The demand deposit balances, as reflected in the banks' records, are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2021 and 2020, the Gingerbread House's cash balances exceeded the FDIC insured limits by \$310,207 and \$202,265, respectively.

Grants, support and contribution receivables are principally with federal, state, local agencies, foundations and individuals, within the geographic area. Realization of these items is dependent on various individual economic conditions, and the Gingerbread House does not require collateral or other security to support accounts receivable. Receivables are carried at estimated net realizable values. As of December 31, 2021 and 2020, four grantors and two grantors, respectively, accounted for 100% of federal, state, and local grants receivable. As of December 31, 2021 and 2020, a pledge from one donor accounted for 49% and 85%, respectively, of foundation and corporate support receivables.

Approximately 41% and 39% of Gingerbread House's revenue, excluding in-kind contributions, were from two funding sources and one funding source, respectively, for the years ended December 31, 2021 and 2020. The current level of the Gingerbread House's operations and program services may be impacted or segments discontinued if this funding is not renewed.



## SUPPLEMENTARY INFORMATION



**Gingerbread House Bossier/Caddo  
Children's Advocacy Center, Inc.  
Schedule of Compensation, Benefits & Other Payments  
For the Year Ended December 31, 2021**

**Agency Head Name: Jessica M. Miller, MA, MBA | Chief Executive Officer**

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 111,930
Bonus	\$ 15,600
Benefits - insurance	\$ 7,857
Benefits - retirement	\$ 3,220
Reimbursements	\$ 420
Travel	\$ 1,280



# REPORT ON INTERNAL CONTROL AND COMPLIANCE MATTERS





**Carr, Riggs & Ingram, LLC**  
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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
Gingerbread House Bossier/Caddo  
Children's Advocacy Center, Inc.  
Shreveport, Louisiana

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 Gingerbread House Bossier/Caddo Children's Advocacy Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated June 30, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Gingerbread House Bossier/Caddo Children's Advocacy Center, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Gingerbread House Bossier/Caddo Children's Advocacy Center, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Gingerbread House Bossier/Caddo Children's Advocacy Center, Inc.'s internal control.

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

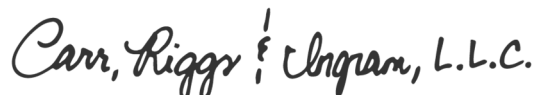
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Gingerbread House Bossier/Caddo Children's Advocacy Center, Inc.'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 financial statements. 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 Gingerbread House Bossier/Caddo Children's Advocacy Center, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Gingerbread House Bossier/Caddo Children's Advocacy Center, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana  
June 30, 2022

**Gingerbread House Bossier/Caddo  
Children's Advocacy Center, Inc.  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2021**

**Section I – Summary of Auditors' Results**

***Financial Statements***

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(es) identified?

yes     no

yes     none noted

Noncompliance material to financial statements noted?

yes     no

***Federal Awards***

N/A

**Section II – Financial Statement Findings**

**Current Year Findings and Responses**

None

**Prior Year Findings and Responses**

None





**Gingerbread House Bossier/Caddo Children's  
Advocacy Center, Inc.**

**STATEWIDE AGREED-UPON PROCEDURES REPORT**

**December 31, 2021**



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## **INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of Gingerbread House Bossier/Caddo  
Children's Advocacy Center, Inc.  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. Gingerbread House Bossier/Caddo Children's Advocacy Center, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

Gingerbread House Bossier/Caddo Children's Advocacy Center, Inc. (the Gingerbread House) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

### ***Written Policies and Procedures***

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

**Results:** Written policies and procedures do not address amending the budget. No other exceptions were found as a result of applying the procedure.

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

**Results:** Written policies do not address adding vendors to the vendor list. No other exceptions were found as a result of applying the procedure.

- c) **Disbursements**, including processing, reviewing, and approving.

**Results:** No exceptions were found as a result of applying the procedure.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

**Results:** No exceptions were found as a result of applying the procedure.

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

**Results:** No exceptions were found as a result of applying the procedure.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

**Results:** Written policies and procedures do not address standard terms and conditions of contracts or legal review of contracts.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

**Results:** Written policies and procedures do not address allowable business uses; documentation requirements; required approvers of statements; or monitoring card usage.

- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

**Results:** No exceptions were found as a result of applying the procedure.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to

demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

**Results:** This procedure is not applicable to the Gingerbread House as a nonprofit.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

**Results:** This procedure is not applicable to the Gingerbread House as a nonprofit.

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

**Results:** Written policies and procedures do not address periodic testing/verification that backups can be restored; the use of antivirus software on all systems; timely application of all available system and software patches/updates; identification of personnel, processes, and tools needed to recover operations after a critical event.

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Results:** This procedure is not applicable to the Gingerbread House as a nonprofit.

### **Board or Finance Committee**

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

**Results:** No exceptions were found as a result of applying the procedure.

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or*

*included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

**Results:** No exceptions were found as a result of applying the procedure.

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

**Results:** This procedure is not applicable as the Gingerbread House is not a governmental entity.

### **Bank Reconciliations**

- 3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

**Results:** 1 of 3 bank reconciliations subject to this procedure was not prepared within 2 months of the related statement closing date.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

**Results:** The 3 bank reconciliations subject to this procedure did not include evidence of review by a member of management or board member.

- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**Results:** 1 of 3 bank reconciliations subject this procedure had reconciling items that have been outstanding for more than 12 months from the statement closing date that did not have documentation of research by management.

***Collections (excluding electronic funds transfers)***

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

**Results:** CRI obtained a list of deposits sites and management's representation that the listing was complete.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees responsible for cash collections do not share cash drawers/registers.

**Results:** No exceptions were found as a result of applying the procedure.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

**Results:** No exceptions were found as a result of applying the procedure.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

**Results:** No exceptions were found as a result of applying the procedure.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

**Results:** No exceptions were found as a result of applying the procedure.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

**Results:** No exceptions were found as a result of applying the procedure.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than*

*bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

**Results:** No exceptions were found as a result of applying the procedure.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

**Results:** No exceptions were found as a result of applying the procedure.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

**Results:** No exceptions were found as a result of applying the procedure.

- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

**Results:** One exception was identified where the deposit was not made within one business day of receipt at the collection location.

- e) Trace the actual deposit per the bank statement to the general ledger.

**Results:** No exceptions were found as a result of applying the procedure.

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

**Results:** CRI obtained listing of locations that process payments and management's representation that the listing was complete.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

**Results:** Most purchases involve at least two employees in initiating a purchase request, approving a purchase, and placing an order/making a purchase. The CEO has the ability to initiate a purchase request, approve the purchase, and place an order/make a purchase.

- b) At least two employees are involved in processing and approving payments to vendors.

**Results:** No exceptions were found as a result of applying the procedure.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

**Results:** The employee responsible for processing payments is not prohibited from adding/modifying vendor files. There is no procedure for reviewing changes to the vendor files.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

**Results:** No exceptions were found as a result of applying the procedure.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

**Results:** No exceptions were found as a result of applying the procedure.

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**Results:** As described in the results of the procedures at #9, there is a lack of segregation of duties in processing disbursements.



### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

**Results:** CRI obtained a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period and management's representation that the listing is complete.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

**Results:** We did not observe evidence that the monthly statement was reviewed and approved, in writing, by someone other than the authorized card holder. We observed written review and approval of transactions; however, the review and approval was performed by an authorized cardholder.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

**Results:** No exceptions were found as a result of applying the procedure.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

**Results:** For the 1 meal charge subject to this procedure, there was no documentation of the individuals participating in the meal. No other exceptions were found as a result of applying the procedure.

***Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

**Results:** No exceptions were found as a result of applying the procedure.

- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

**Results:** No exceptions were found as a result of applying the procedure.

- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

**Results:** No exceptions were found as a result of applying the procedure.

- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Results:** No exceptions were found as a result of applying the procedure.

***Contracts***

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

**Results:** This procedure is not applicable to the Gingerbread House as a nonprofit.

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

**Results:** The contracts selected for this procedure did not require approval by the governing board, as such, this procedure is not applicable.

- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

**Results:** No exceptions were found as a result of applying the procedure.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

**Results:** No exceptions were found as a result of applying the procedure.

### ***Payroll and Personnel***

- 16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

**Results:** No exceptions were found as a result of applying the procedure.

- 17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

**Results:** No exceptions were found as a result of applying the procedure.

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

**Results:** No exceptions were found as a result of applying the procedure.

- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

**Results:** No exceptions were found as a result of applying the procedure.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

**Results:** No exceptions were found as a result of applying the procedure.

- 18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

**Results:** No exceptions were found as a result of applying the procedure.

- 19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

**Results:** CRI obtained management's representation that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by required deadlines.

### ***Ethics***

- 20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above: obtain ethics documentation from management, and:

- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

**Results:** This procedure is not applicable to the Gingerbread House as a nonprofit.

### ***Debt Service***

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

**Results:** This procedure is not applicable to the Gingerbread House as a nonprofit.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

**Results:** This procedure is not applicable to the Gingerbread House as a nonprofit.

### ***Fraud Notice***

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

**Results:** Management represented that no misappropriations of public funds and assets occurred during the fiscal period.

24. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

**Results:** No exceptions were found as a result of applying the procedure.

### ***Information Technology Disaster Recovery/Business Continuity***

25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

**Results:** We performed the procedure and discussed the results with management.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

**Results:** We performed the procedure and discussed the results with management.

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

**Results:** We performed the procedure and discussed the results with management.

### ***Sexual Harassment***

- 26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

**Results:** This procedure is not applicable to the Gingerbread House as a nonprofit.

- 27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

**Results:** This procedure is not applicable to the Gingerbread House as a nonprofit.

- 28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

e) Amount of time it took to resolve each complaint.

**Results:** This procedure is not applicable to the Gingerbread House as a nonprofit.

We were engaged by Gingerbread House Bossier/Caddo Children’s Advocacy Center, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Gingerbread House Bossier/Caddo Children’s Advocacy Center, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS, & INGRAM, LLC

Shreveport, Louisiana

June 30, 2022

*gbh*  
**Gingerbread House**  
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June 30, 2022

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and

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RE: Management's Response to Agreed-Upon Procedures

Management of the Gingerbread House Bossier/Caddo Children's Advocacy Center, Inc. (the Gingerbread House) has reviewed the Independent Accountants' Report on Applying Agreed-Upon Procedures. We are in agreement with the report of Carr, Riggs & Ingram, LLC. The Gingerbread House will add policies and procedures and implement changes as considered necessary and cost-beneficial to meet the expectations identified in the report and future agreed-upon procedures engagements.

  
Jessica Milan Miller, M.A., MBA  
Chief Executive Officer

  GingerbreadHouseCAC

  
National  
Children's  
Alliance  
Accredited Member

**BOARD OF DIRECTORS  
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