
**LOUISIANA ALLIANCE OF CHILDREN'S
ADVOCACY CENTERS**

SLIDELL, LOUISIANA

FINANCIAL STATEMENTS

DECEMBER 31, 2024



LOUISIANA ALLIANCE OF CHILDREN’S ADVOCACY CENTERS

TABLE OF CONTENTS

	<u>Page</u>
<u>Independent Auditor’s Report</u>	1-3
<u>Financial Statements</u>	
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses	6-7
Statements of Cash Flows	8
<u>Notes to Financial Statements</u>	9-18
<u>Supplementary Information</u>	
Schedule of Compensation, Benefits, and Other Payments to the Agency Head	19
<u>Other Reports Required by Government Auditing Standards</u>	
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 <i>Government Auditing Standards</i>	20-21
Schedule of Findings and Responses	22-23



Independent Auditor's Report

To the Board of Directors of
Louisiana Alliance of Children's Advocacy Centers
Slidell, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Louisiana Alliance of Children's Advocacy Centers (the Organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Alliance of Children's Advocacy Centers, as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Louisiana Alliance of Children's Advocacy Centers and to meet our 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 opinion.

Prior Period Financial Statements

The financial statements of the Organization as of December 31, 2023, were audited by other auditors whose report dated June 27, 2024, expressed an unmodified opinion on those financial statements. As more fully described in Note 9 to the financial statements, the Organization has adjusted its 2023 financial statements. The other auditors reported on the financial statements before the prior period adjustments.

As part of our audit of the 2024 financial statements, we also audited the adjustments to the 2023 financial statements as described in Note 9. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the Organization's 2023 financial statements other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2023 financial statements as a whole.

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 Louisiana Alliance of Children's Advocacy Centers' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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, including omissions, 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 Louisiana Alliance of Children's Advocacy Centers 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 Louisiana Alliance of Children's Advocacy Centers 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 supplementary information on page 19 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, 2025, on our consideration of the Organization'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 Organization's internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Richard CPAS

Metairie, Louisiana
June 30, 2025

LOUISIANA ALLIANCE OF CHILDREN'S ADVOCACY CENTERS
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

	<u>A S S E T S</u>	
	2024	2023 (As restated)
<u>CURRENT ASSETS</u>		
Cash	\$ 838,649	\$ 1,008,782
Grants receivable	361,691	295,067
Prepaid expenses	4,095	2,684
Total current assets	<u>1,204,435</u>	<u>1,306,533</u>
<u>NON-CURRENT ASSETS</u>		
Office equipment, net	70,768	104,657
Operating lease right-of-use asset, net	134,637	172,098
Total non-current assets	<u>205,405</u>	<u>276,755</u>
<u>TOTAL ASSETS</u>	<u><u>\$ 1,409,840</u></u>	<u><u>\$ 1,583,288</u></u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 199,103	\$ 193,693
Deferred revenue	95,947	157,262
Operating lease liability, current portion	38,076	36,761
Total current liabilities	<u>333,126</u>	<u>387,716</u>
<u>LONG-TERM LIABILITIES</u>		
Operating lease liability, long term	90,727	128,803
Total long-term liabilities	<u>90,727</u>	<u>128,803</u>
<u>NET ASSETS</u>		
Without donor restrictions	985,987	1,066,769
With donor restrictions	-	-
Total net assets	<u>985,987</u>	<u>1,066,769</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u><u>\$ 1,409,840</u></u>	<u><u>\$ 1,583,288</u></u>

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

LOUISIANA ALLIANCE OF CHILDREN'S ADVOCACY CENTERS
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024			2023 (As restated)		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
<u>REVENUES AND OTHER SUPPORT</u>						
Contributions support:						
Grants	\$ -	\$ 741,876	\$ 741,876	\$ -	\$ 892,185	\$ 892,185
State general funds	1,350,000	1,501,114	2,851,114	1,350,000	725,146	2,075,146
Contribution	4,140	-	4,140	63	-	63
Membership	6,983	-	6,983	6,045	-	6,045
Interest income	3,247	-	3,247	4,476	-	4,476
Other income	14,209	-	14,209	15,942	-	15,942
	<u>1,378,579</u>	<u>2,242,990</u>	<u>3,621,569</u>	<u>1,376,526</u>	<u>1,617,331</u>	<u>2,993,857</u>
Net assets released from restrictions	<u>2,242,990</u>	<u>(2,242,990)</u>	<u>-</u>	<u>1,617,331</u>	<u>(1,617,331)</u>	<u>-</u>
Total revenues and other support	<u>3,621,569</u>	<u>-</u>	<u>3,621,569</u>	<u>2,993,857</u>	<u>-</u>	<u>2,993,857</u>
 <u>EXPENSES</u>						
Program expenses	3,676,111	-	3,676,111	3,521,194	-	3,521,194
Management and general	26,240	-	26,240	25,496	-	25,496
Total expenses	<u>3,702,351</u>	<u>-</u>	<u>3,702,351</u>	<u>3,546,690</u>	<u>-</u>	<u>3,546,690</u>
 <u>CHANGE IN NET ASSETS</u>	<u>(80,782)</u>	<u>-</u>	<u>(80,782)</u>	<u>(552,833)</u>	<u>-</u>	<u>(552,833)</u>
 <u>NET ASSETS, BEGINNING OF THE YEAR</u>	<u>1,066,769</u>	<u>-</u>	<u>1,066,769</u>	<u>1,619,602</u>	<u>-</u>	<u>1,619,602</u>
 <u>NET ASSETS, END OF THE YEAR</u>	<u>\$ 985,987</u>	<u>\$ -</u>	<u>\$ 985,987</u>	<u>\$ 1,066,769</u>	<u>\$ -</u>	<u>\$ 1,066,769</u>

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

LOUISIANA ALLIANCE OF CHILDREN'S ADVOCACY CENTERS
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

2024

	Louisiana Commission on Law Enforcement Victims of Crime Act Grants	National Children's Alliance Grants	DOA/Office for Victims of Crime LYCTC Contract	Children's Justice Act	State of Louisiana ACT 662	State Funding	CAPTA Grants	Total Program	Management and General	Total
Salaries and wages	\$ 123,266	\$ 80,568	\$ 44,384	\$ 3,519	\$ 130,045	\$ 38,958	\$ -	\$ 420,740	\$ -	\$ 420,740
Payments to affiliate entities	-	-	228,153	-	969,957	1,479,299	-	2,677,409	-	2,677,409
Conferences and training	8,620	13,791	-	18,500	90,644	7,139	-	138,694	4,300	142,994
Payroll taxes and related benefits	16,991	20,322	12,917	639	34,105	29,054	-	114,028	975	115,003
Travel	4,345	12,281	670	1,017	59,252	6,980	-	84,545	1,400	85,945
Contractors	28,437	21,239	-	1,044	7,494	339	-	58,553	7,346	65,899
Supplies and operating expenses	4,502	44,047	331	-	4,381	2,871	-	56,132	3,431	59,563
Depreciation	-	-	-	-	3,003	29,649	-	32,652	3,410	36,062
Rent and lease	10,150	8,400	9,450	-	14,700	-	-	42,700	-	42,700
Professional fees	9,964	627	-	-	17,548	6,558	-	34,697	775	35,472
Interest	-	-	-	-	2,405	1,430	-	3,835	3,415	7,250
Miscellaneous expenses	276	-	-	-	34	5,720	-	6,030	1,188	7,218
Insurance	2,835	-	2,158	-	1,103	-	-	6,096	-	6,096
Advertising	-	-	-	-	-	-	-	-	-	-
Equipment expense	-	-	-	-	-	-	-	-	-	-
	<u>\$ 209,386</u>	<u>\$ 201,275</u>	<u>\$ 298,063</u>	<u>\$ 24,719</u>	<u>\$ 1,334,671</u>	<u>\$ 1,607,997</u>	<u>\$ -</u>	<u>\$ 3,676,111</u>	<u>\$ 26,240</u>	<u>\$ 3,702,351</u>

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

(continued)

LOUISIANA ALLIANCE OF CHILDREN'S ADVOCACY CENTERS
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

2023 (As restated)

	Louisiana Commission on Law Enforcement Victims of Crime Act Grants	National Children's Alliance Grants	DOA/Office for Victims of Crime LYCTC Contract	Children's Justice Act	State of Louisiana ACT 662	State Funding	CAPTA Grants	Total Program	Management and General	Total
Salaries and wages	\$ 107,723	\$ 54,228	\$ 44,440	\$ 3,012	\$ 29,027	\$ 69,190	\$ 12,092	\$ 319,712	\$ 7,834	\$ 327,546
Payments to affiliate entities	-	-	474,342	-	436,741	1,640,964	240,069	2,792,116	-	2,792,116
Conferences and training	3,500	14,375	-	8,420	-	52,048	-	78,343	8,727	87,070
Payroll taxes and related benefits	14,733	6,952	8,316	561	4,376	29,487	2,164	66,589	3,870	70,459
Travel	2,087	13,873	30	-	1,999	14,158	35	32,182	2,133	34,315
Contractors	-	31,926	-	1,922	-	13,080	-	46,928	244	47,172
Supplies and operating expenses	7,380	26,830	-	-	1,933	24,413	5,106	65,662	-	65,662
Depreciation	-	-	-	-	-	30,565	-	30,565	2,472	33,037
Rent and lease	12,553	3,792	3,540	-	3,877	807	10,454	35,023	-	35,023
Professional fees	11,540	0	-	-	-	9,040	-	20,580	-	20,580
Interest	-	-	-	-	-	355	-	355	-	355
Miscellaneous expenses	-	2,400	-	-	-	8,365	-	10,765	216	10,981
Insurance	-	-	-	-	-	5,678	-	5,678	-	5,678
Advertising	-	-	-	-	-	1,016	-	1,016	-	1,016
Equipment expense	9,408	1,648	-	-	-	4,624	-	15,680	-	15,680
	<u>\$ 168,924</u>	<u>\$ 156,024</u>	<u>\$ 530,668</u>	<u>\$ 13,915</u>	<u>\$ 477,953</u>	<u>\$ 1,903,790</u>	<u>\$ 269,920</u>	<u>\$ 3,521,194</u>	<u>\$ 25,496</u>	<u>\$ 3,546,690</u>

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

LOUISIANA ALLIANCE OF CHILDREN'S ADVOCACY CENTERS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u> (As restated)
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ (80,782)	\$ (552,833)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	36,062	33,037
Amortization of right of use asset	37,461	24,266
Changes in operating assets and liabilities:		
Grants receivable	(66,624)	29,457
Prepaid expenses	(1,411)	-
Accounts payable	5,410	(294,461)
Deferred revenue	(61,315)	157,263
Operating lease assets and liabilities	(36,761)	(30,800)
Net cash used in operating activities	<u>(167,960)</u>	<u>(634,071)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of equipment	(2,173)	(38,084)
Net cash used in investing activities	<u>(2,173)</u>	<u>(38,084)</u>
Net change in cash and cash equivalents	(170,133)	(672,155)
Cash and cash equivalents, beginning of year	<u>1,008,782</u>	<u>1,680,937</u>
Cash and cash equivalents, end of year	<u>\$ 838,649</u>	<u>\$ 1,008,782</u>
<u>SUPPLEMENTAL CASH FLOW DISCLOSURE</u>		
Cash paid for interest	<u>\$ 7,250</u>	<u>\$ 355</u>
Lease liabilities arising from obtaining right of use assets	<u>\$ -</u>	<u>\$ 196,364</u>

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

LOUISIANA ALLIANCE OF CHILDREN'S ADVOCACY CENTERS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. Summary of Significant Accounting Policies

Organization

Louisiana Alliance of Children's Advocacy Centers (the Organization) is a nonprofit organization whose mission is to provide, promote, and support Children's Advocacy Centers (CACs) in providing a coordinated multidisciplinary response to child victims of abuse through development, training, and advocacy. Their vision is for every child in Louisiana to have access to high-quality care regardless of their background or where they live.

The Organization is supported by member contributions and by grant funds and contracts from the National Children's Alliance, the State of Louisiana, and the Southern Regional Chapter of CACs to provide administration, training, and support of the Alliance and the participating CAC members.

Basis of Presentation

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and accordingly reflect all significant receivables, payables, and other liabilities. Under this method, revenues are recognized when earned, and expenses are recorded when incurred. Contributions are recognized when received or when unconditionally promised.

Financial Statement Presentation

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

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate, from net assets without donor restrictions net assets for an operating reserve or board-designated endowment.

Net assets with donor restrictions – Net assets subject to donor- (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. At December 31, 2024, and 2023, the Organization held net assets with donor restrictions in the amount of \$0 and \$0, respectively.

Revenues are reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions.

LOUISIANA ALLIANCE OF CHILDREN'S ADVOCACY CENTERS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. Summary of Significant Accounting Policies (continued)

Description of Programs

- Louisiana Commission on Law Enforcement Victims of Crime Act Grants – To increase LACAC staff expertise through professional development opportunities in order to streamline processes and provide training and technical assistance to CACs with regard to legal/fiscal oversight, federal grant management and compliance, emerging trends, and accreditation standards. VOCA also seeks to strengthen the statewide network of CACs to increase collaboration and enhance the CAC model throughout the state.
- National Children's Alliance Grants – To increase LACAC staff expertise through professional development opportunities in order to streamline processes and provide training and technical assistance to CACs with regard to legal/fiscal oversight, federal grant management and compliance, emerging trends, and accreditation standards. NCA also seeks to strengthen the statewide network of CACs to increase collaboration and enhance the CAC model throughout the state.
- DOA/Office for Victims of Crime LYCTC Contract – To build statewide capacity to meet the immediate and long-term needs of child and youth victims of HT, with an emphasis on ensuring cultural awareness, equity and accessibility across systems. OVC also seeks to increase identification of under-identified trafficking typologies and to expand strategic partnerships for improved outreach and service delivery to underserved populations.
- Children's Justice Act – To increase access to specialized training opportunities for members and to increase the quality and accessibility of medical exams and treatment for Children's Advocacy Center clients through facilitation of specialized training and collaborative meetings for medical providers across Louisiana.
- State of Louisiana ACT 662 – To achieve the goal of improving outcomes for child and youth victims of human trafficking through creating a care coordination model of multidisciplinary teams, case coordination, and advisory councils that ensures all children in Louisiana have access to a comprehensive continuum of care.
- State Funding – To support and expand the organizational capacity of CACs and to assist CACs in achieving and maintaining national accreditation standards to promote statewide quality assurance.

Cash and Cash Equivalents

The Organization's cash consists of cash on deposit with banks. Cash equivalents represent highly liquid investments with a short-term maturity when purchased.

LOUISIANA ALLIANCE OF CHILDREN'S ADVOCACY CENTERS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. Summary of Significant Accounting Policies (continued)

Allowance for Credit Losses

An allowance for credit losses is an estimate based upon historical account write-off trends, facts about the current financial condition of the debtor, forecasts of future operating results based upon current trends and macroeconomic factors. Credit quality is monitored through the timing of payments compared to payment terms and known facts regarding the financial condition of debtors. Grants receivable balances are charged off against the allowance for credit losses after recovery efforts have ceased. At December 31, 2024, and 2023, the allowance for credit losses amounts were zero.

Office Equipment

Property and equipment additions of over \$500 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 7 years, or in the case of capitalized lease assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flow expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. The Organization has determined that certain long-lived assets were impaired during the year ended December 31, 2024, and recorded an impairment loss of \$0 at December 31, 2024. There were no indicators of asset impairment during the year ended December 31, 2023.

Right of Use Leased Assets and Liabilities

Right to use leased assets and the related liabilities are recognized at the lease commencement date and represent the Organization's right to use an underlying asset and lease obligations for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or the useful life of the underlying asset using the straight-line method. The amortization period varies among the leases.

LOUISIANA ALLIANCE OF CHILDREN'S ADVOCACY CENTERS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. Summary of Significant Accounting Policies (continued)

Revenue and Revenue Recognition

Contributions are recognized when cash, securities or assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statements of financial position.

Membership dues, which are nonrefundable, are comprised of an exchange element based on the benefits received, and a contribution element for the difference. The Organization recognizes the exchange portion of membership dues over the membership period, and the contribution portion immediately. Payments are required at the time of sale or start of the membership period. The amounts received in advance are deferred to the applicable period. With the exception of goods and services provided in connection with membership dues, which are transferred over the period of membership, all goods and services are transferred at a point in time.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Organization recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The Organization recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

Gifts In-Kind

Contributed nonfinancial assets include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the goods or services received. The Organization does not sell donated gifts-in-kind. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. No significant contributions of such goods or services were received during the years ended December 31, 2024, and 2023.

LOUISIANA ALLIANCE OF CHILDREN'S ADVOCACY CENTERS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The costs of programming and supporting services activities have been summarized on a functional basis in the statements of activities based on time and effort of those activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs, such as salaries and wages, payroll taxes and related benefits, contractors, and professional fees have been allocated among the programs and supporting services benefited. Occupancy is allocated based on square footage used for supporting and program services. After allocating all direct program and administrative expenses, percentages are determined to allocate the remaining indirect costs.

Income Tax Status

The Organization is exempt from income tax under IRC section 501 (c)(3), though it is subject to tax on income unrelated to its tax-exempt purpose, unless that income is otherwise excluded by the Code. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status: to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization is not classified as a private foundation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that could affect reported amounts of assets at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results and the results of future periods could differ from those estimates, and those differences may be material.

2. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 838,649	\$ 1,008,782
Grants receivable	361,691	295,067
Total financial assets	<u>1,200,340</u>	<u>1,303,849</u>
Less; amounts not available to be used within one year:		
Funds restricted by donors for grant purposes	<u>-</u>	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months.	<u>\$ 1,200,340</u>	<u>\$ 1,303,849</u>

LOUISIANA ALLIANCE OF CHILDREN'S ADVOCACY CENTERS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

2. Liquidity and Availability (continued)

As part of the liquidity management plan, cash in excess of daily requirements is invested in short-term investments and money market funds. To help manage unanticipated liquidity needs, the Organization has established a line of credit in the amount of \$500,000.

3. Grants Receivable

At December 31, 2024, and 2023, grants receivable consists of the following amounts.

Program / Source Title	2024	2023
Louisiana Division of Administration	\$ 252,714	\$ 218,705
Louisiana Commission of Law Enforcement	34,858	33,268
National Children's Alliance, Inc.	74,119	43,094
Total grants receivable	<u>\$ 361,691</u>	<u>\$ 295,067</u>

4. Equipment

At December 31, 2024, and 2023, equipment is summarized as follows at December 31:

	2024	2023
Equipment	\$ 187,236	\$ 185,063
Less: accumulated depreciation	<u>(116,468)</u>	<u>(80,406)</u>
	<u>\$ 70,768</u>	<u>\$ 104,657</u>

For the years ended December 31, 2024, and 2023, the depreciation expense was \$36,062 and \$33,037, respectively.

5. Line of credit

The Organization has a \$500,000 unsecured revolving line of credit with a bank. Borrowings under the line bear interest at the Wall Street Journal Prime Rate plus 2% (9.50% at December 31, 2024). Interest payments are due monthly. Accrued interest and principal are due at maturity (February 28, 2025). The agreement requires the Organization to comply with certain financial and non-financial covenants. At December 31, 2024, and 2023, the line of credit balance was zero.

LOUISIANA ALLIANCE OF CHILDREN'S ADVOCACY CENTERS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

6. Net Assets with Restrictions

At December 31, 2024, and 2023, the Organization reports net assets with donor restrictions as \$0 and \$80,000, respectively. During the years ended December 31, 2024, and 2023, the Organization received restricted grant revenue. A listing of the amounts received and released/spent as follows:

Program/Source Title	2024	2023
Victims of Crime Act	\$ 217,818	\$ 190,210
State general funds	161,444	160,332
National Children's Alliance	201,275	156,732
State supplemental funds	5,000	58,580
Office for Victims of Crime	298,063	531,328
ACT 662	1,334,670	481,234
CAPTA	-	25,000
Children's Justice Act	24,720	13,915
Revenues released from restriction	<u>\$ 2,242,990</u>	<u>\$ 1,617,331</u>

7. Operating leases

The Organization leases certain office facilities at various terms under long-term non-cancelable operating lease agreements. The lease expires March 31, 2028, and provides two renewal options for 5 years each. The Organization does not include in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The Organization's operating lease provides for increases in future minimum annual rental payments. Additionally, the operating lease agreement requires the Organization to pay real estate taxes, insurance, and repairs.

The weighted-average discount rate is based on the discount rate implicit in the lease. The Organization has elected the option to use the risk-free rate determined by using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The Organization has applied the risk-free rate option to the building and office equipment classes of assets.

The lease payments used to determine the lease liability and right-of-use assets include residual value guarantees the Organization is probable of paying at the termination of the lease term.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Leases payments for short-term leases are recognized on straight-line basis.

The Organization elected the practical expedient to not separate lease and non-leases components for a real estate lease.

LOUISIANA ALLIANCE OF CHILDREN'S ADVOCACY CENTERS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

7. Operating leases (continued)

Total right-of-use assets and lease liabilities at December 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
<u>Lease Assets - Classification in Statement of Financial Position</u>		
Operating right-of-use assets - other assets	\$ 134,637	\$ 172,098
Total leased right-of-use assets	<u>\$ 134,637</u>	<u>\$ 172,098</u>
	<u>2024</u>	<u>2023</u>
<u>Lease Liabilities - Classification in Statement of Financial Position</u>		
Operating lease liability, current portion	\$ 38,076	\$ 36,761
Operating lease liability, long term	<u>90,727</u>	<u>128,803</u>
Total lease liabilities	<u>\$ 128,803</u>	<u>\$ 165,564</u>

Total lease costs for the years ended December 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Operating lease cost		
Interest expense	\$ 5,239	\$ 4,200
Amortization of right-of-use assets	\$ 37,461	\$ 24,266

The following table summarizes the supplemental cash flow information for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 42,000	\$ 35,000
Right-of-use assets obtained in exchange for lease liabilities	\$ -	\$ 196,364

LOUISIANA ALLIANCE OF CHILDREN'S ADVOCACY CENTERS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

7. Operating leases (continued)

The following summarizes the weighted-average remaining lease term and weight-average discount rate:

	<u>2024</u>	<u>2023</u>
Weighted-Average Remaining Lease Term in Years		
Operating leases	4.00	5.00
Weighted-Average Discount Rate		
Operating leases	3.52%	3.52%

The future minimum lease payments under noncancelable operating and finance leases with terms greater than one year are listed below as of December 31, 2024

2025	\$ 42,000
2026	42,000
2027	42,000
2028	<u>10,500</u>
Total lease payments	136,500
Less interest	<u>(7,697)</u>
Present value of lease liabilities	<u><u>\$ 128,803</u></u>

8. Concentrations of Credit Risk

The Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by the Organization to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. As of December 31, 2024, and 2023, the Organization had \$588,649 and \$758,782, respectively, in excess of FDIC insurance limits. To date, the Organization has not experienced losses in any of these new accounts.

Credit risk associated with grants receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members, governmental agencies, and foundations supportive of the Organization's mission.

LOUISIANA ALLIANCE OF CHILDREN'S ADVOCACY CENTERS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

9. Prior Period Adjustment

During the year ended December 31, 2024, the Organization discovered that the previously issued 2023 financial statements had certain errors that have been corrected in the financial statements. The Organization has restated these financial statements, along with the associated impact on the statement of cash flows within the accompanying financial statements.

Net assets at December 31, 2023, as previously reported	\$ 173,578
Adjustments to record SGF from the affiliate payable	865,324
Adjustments to record operating right-of-use asset	196,364
Adjustments to record amortization expense for right-of-use asset	(24,266)
Adjustment to record operating lease liability	(165,564)
Adjustment to record equipment additions	21,333
Net assets at December 31, 2023, as restated	<u>\$ 1,066,769</u>
Change in net assets for the year ended December 31, 2023, as previously reported	\$ (49,667)
Adjustments to record SGF revenue	1,350,000
Adjustment to record payments to affiliate entities	(1,881,033)
Adjustments to record amortization expense for right-of-use asset	(24,266)
Adjustment to lease expense for operating lease liability	30,800
Adjustment to record equipment additions	21,333
Change in net assets for the year ended December 31, 2023, as restated	<u>\$ (552,833)</u>
Revenues and other support for the year ended December 31, 2023, as previously reported	\$ 732,774
Adjustments to record SGF revenue	1,350,000
ACT 662 revenue adjustment	436,741
OVC revenue adjustment	474,342
Revenues and other support for the year ended December 31, 2023, as restated	<u>\$ 2,993,857</u>
Total expenses for the year ended December 31, 2023, as previously reported	\$ 782,441
Adjustment to record payments to affiliate entities	1,881,033
ACT 662 expense adjustment	436,741
OVC expenses adjustment	474,342
Adjustments to record amortization expense for right-of-use asset	24,266
Adjustment to lease expense for operating lease liability	(30,800)
Adjustment to record equipment additions	(21,333)
Total expense for the year ended December 31, 2023, as restated	<u>\$ 3,546,690</u>

10. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 30, 2025, and determined no items that require additional disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

LOUISIANA ALLIANCE OF CHILDREN'S ADVOCACY CENTERS
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO THE AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2024

Agency Head Name: Krystle Mitchell, Executive Director

Salary	\$ 91,000
Benefits - Healthcare	3,993
Benefits - Retirement	6,364
Cell Phone	420
Mileage	7,655
Reimbursements	-
Travel	-
Other	-
	<hr/>
Total	<u><u>\$ 109,433</u></u>

See accompanying independent auditor's report

OTHER REPORT



**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 of
Louisiana Alliance of Children's Advocacy Centers
Slidell, 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 Louisiana Alliance of Children's Advocacy Centers (the Organization), a nonprofit entity, which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 30, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 the organization'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.

Richard CPAS

Metairie, Louisiana
June 30, 2025

LOUISIANA ALLIANCE OF CHILDREN'S ADVOCACY CENTERS

SUMMARY OF SCHEDULE OF FINDINGS AND RESPONSES

FOR THE YEAR ENDED DECEMBER 31, 2024

1. Summary of Independent Auditor's Results

Financial Statements

(a) The type of report issued on the basic financial statements: **Unmodified**

(b) Internal control over financial reporting:

Material weakness(es) identified: **None reported**

Significant deficiency(ies) identified: **None reported**

(c) Noncompliance which is material to the basic financial statements: **None reported**

2. Findings relating to the basic financial statements reported in accordance with Government Auditing Standards

None

LOUISIANA ALLIANCE OF CHILDREN'S ADVOCACY CENTERS
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2023

3. **Prior Year Findings relating to the basic financial statements reported in accordance with Government Auditing Standards**

2023-01 Improper Recording of Revenues and Expenses Related to Grants

Recommendation: The Organization should carefully review grant agreements to determine the appropriate recording procedures. The Organization should perform timely reconciliations of grants receivable.

Response: Management agrees with the finding and has implemented the recommendation.

Current Status: Resolved.