
**Children's Advocacy Center
Hope House**

Financial Statements

December 31, 2020

Childrens Advocacy Center - Hope House

Table of Contents

Independent Auditor’s Report	1
Financial Statements	
Statements of Financial Position.....	3
Statements of Activities and Changes in Net Assets	4
Statements of Functional Expenses	5
Statements of Cash Flows.....	7
Notes to Financial Statements	8
Supplementary Information	
Schedule of Compensation, Benefits, and Other Payments to Executive Director.....	16
Schedule of Justice System Funding – Receiving Entity.....	17

Independent Auditor's Report

To the Board of Directors
Childrens Advocacy Center - Hope House
Covington, Louisiana

We have audited the accompanying financial statements of Childrens Advocacy Center - Hope House (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Childrens Advocacy Center - Hope House as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Childrens Advocacy Center - Hope House's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 26, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Childrens Advocacy Center - Hope House. The accompanying schedule of compensation, benefits, and other payments to executive director and schedule of justice system funding – receiving entity, as required by the State of Louisiana, are presented for purposes of additional analysis and are not a required part of the financial statements.

The schedule of compensation, benefits, and other payments to executive director and schedule of justice system funding – receiving entity are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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 schedule of compensation, benefits, and other payments to executive director and schedule of justice system funding – receiving entity are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Covington, Louisiana
June 23, 2021

Financial Statements

Childrens Advocacy Center - Hope House
Statements of Financial Position
December 31, 2020 and 2019

	2020	2019
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 629,056	\$ 371,476
Grants receivable	102,221	4,744
	<u>731,277</u>	<u>376,220</u>
Noncurrent Assets		
Investments	154,347	424,367
Property and equipment, net	345,361	122,521
	<u>499,708</u>	<u>546,888</u>
	<u>\$ 1,230,985</u>	<u>\$ 923,108</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 301	\$ 2,704
Accrued payroll expenses	3,720	17,725
Capital lease obligation, current portion	2,063	2,063
	<u>6,084</u>	<u>22,492</u>
Noncurrent Liabilities		
Capital lease obligation, net of current portion	3,955	6,019
Net Assets		
Without donor restrictions - undesignated	<u>1,220,946</u>	<u>894,597</u>
	<u>\$ 1,230,985</u>	<u>\$ 923,108</u>

See accompanying notes to financial statements.

Childrens Advocacy Center - Hope House
Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue						
Public funds	\$ 98,298	\$ -	\$ 98,298	\$ 96,539	\$ -	\$ 96,539
Private grants	372,489	-	372,489	175,204	-	175,204
Contributions	302,780	-	302,780	129,164	-	129,164
Fundraising	177,000	-	177,000	376,836	-	376,836
Investment returns	17,162	-	17,162	17,190	-	17,190
Interest income	2,815	-	2,815	185	-	185
	<u>970,544</u>	<u>-</u>	<u>970,544</u>	<u>795,118</u>	<u>-</u>	<u>795,118</u>
Net assets released from restrictions due to satisfaction of donor-imposed requirements	-	-	-	12,000	(12,000)	-
	<u>970,544</u>	<u>-</u>	<u>970,544</u>	<u>807,118</u>	<u>(12,000)</u>	<u>795,118</u>
Expenses						
Program services						
Children's advocacy	544,064	-	544,064	483,163	-	483,163
Supporting services						
Management and general	132,860	-	132,860	115,328	-	115,328
Fundraising	36,219	-	36,219	62,438	-	62,438
	<u>169,079</u>	<u>-</u>	<u>169,079</u>	<u>177,766</u>	<u>-</u>	<u>177,766</u>
	<u>713,143</u>	<u>-</u>	<u>713,143</u>	<u>660,929</u>	<u>-</u>	<u>660,929</u>
Operating income	<u>257,401</u>	<u>-</u>	<u>257,401</u>	<u>146,189</u>	<u>(12,000)</u>	<u>134,189</u>
Non-operating Revenues (Expenses)						
Paycheck Protection Program funding	71,848	-	71,848	-	-	-
Loss on disposal of assets	(2,900)	-	(2,900)	-	-	-
	<u>68,948</u>	<u>-</u>	<u>68,948</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>326,349</u>	<u>-</u>	<u>326,349</u>	<u>146,189</u>	<u>(12,000)</u>	<u>134,189</u>
Net assets, beginning of year	<u>894,597</u>	<u>-</u>	<u>894,597</u>	<u>748,408</u>	<u>12,000</u>	<u>760,408</u>
Net assets, end of year	<u>\$ 1,220,946</u>	<u>\$ -</u>	<u>\$ 1,220,946</u>	<u>\$ 894,597</u>	<u>\$ -</u>	<u>\$ 894,597</u>

See accompanying notes to financial statements.

Childrens Advocacy Center - Hope House
Statement of Functional Expenses
For the Year Ended December 31, 2020

	Program Services	Supporting Services			Total
	Children's Advocacy	Management and General	Fundraising	Total Supporting Services	
Salaries and related taxes	\$ 354,391	\$ 58,716	\$ 6,291	\$ 65,007	\$ 419,398
Employee benefits	35,126	5,820	624	6,444	41,570
Counseling services and supplies	29,562	-	-	-	29,562
Training	11,626	1,893	-	1,893	13,519
Insurance	8,391	1,390	149	1,539	9,930
Legal and professional	-	10,680	-	10,680	10,680
Lease expense	-	948	-	948	948
Administrative expenses	9,629	9,629	-	9,629	19,258
Supplies	10,831	4,827	18,817	23,644	34,475
Dues and subscriptions	679	4,447	-	4,447	5,126
Repairs and maintenance	16,067	2,616	-	2,616	18,683
Depreciation	14,480	2,399	257	2,656	17,136
Telephone	3,885	667	214	881	4,766
Utilities	5,833	1,002	322	1,324	7,157
Advertising and promotional items	-	19,385	6,462	25,847	25,847
Meals and entertainment	-	1,315	2,875	4,190	4,190
Travel	11,744	1,946	208	2,154	13,898
In-kind donations	31,820	5,180	-	5,180	37,000
	<u>\$ 544,064</u>	<u>\$ 132,860</u>	<u>\$ 36,219</u>	<u>\$ 169,079</u>	<u>\$ 713,143</u>

See accompanying notes to financial statements.

Childrens Advocacy Center - Hope House
Statement of Functional Expenses
For the Year Ended December 31, 2019

	Program Services	Supporting Services			Total
	Children's Advocacy	Management and General	Fundraising	Total Supporting Services	
Salaries and related taxes	\$ 310,015	\$ 53,254	\$ 17,117	\$ 70,371	\$ 380,386
Employee benefits	26,313	4,520	1,453	5,973	32,286
Counseling services and supplies	22,458	-	-	-	22,458
Training	15,488	2,521	-	2,521	18,009
Insurance	6,047	1,141	965	2,106	8,153
Legal and professional	-	7,050	-	7,050	7,050
Lease expense	-	1,625	9,214	10,839	10,839
Administrative expenses	10,323	10,322	4,515	14,837	25,160
Supplies	10,059	4,595	18,170	22,765	32,824
Dues and subscriptions	734	7,087	-	7,087	7,821
Repairs and maintenance	8,633	1,483	477	1,960	10,593
Depreciation	10,009	1,719	553	2,272	12,281
Telephone	5,547	953	306	1,259	6,806
Utilities	6,319	1,085	349	1,434	7,753
Advertising and promotional items	-	4,537	1,512	6,049	6,049
Meals and entertainment	-	4,638	4,979	9,617	9,617
Travel	23,449	4,028	1,295	5,323	28,772
In-kind donations	27,769	4,770	1,533	6,303	34,072
	<u>\$ 483,163</u>	<u>\$ 115,328</u>	<u>\$ 62,438</u>	<u>\$ 177,766</u>	<u>\$ 660,929</u>

See accompanying notes to financial statements.

Childrens Advocacy Center - Hope House
Statements of Cash Flows
For the Years Ended December 31, 2020 and 2019

	2020	2019
Cash Flows From Operating Activities		
Operating income	\$ 257,401	\$ 134,189
Adjustment to reconcile operating income to net cash provided by operating activities		
Depreciation	17,136	12,281
Unrealized gains on investments	(7,191)	(9,576)
Realized gains on investments	(8,394)	-
(Increase) decrease in:		
Grants receivable	(97,477)	(691)
Increase (decrease) in:		
Accounts payable	(2,403)	180
Accrued payroll expenses	(14,005)	6,097
Net cash provided by operating activities	<u>145,067</u>	<u>142,480</u>
Cash Flows From Investing Activities		
Maturities (purchases) of certificates of deposits	228,438	(263,920)
Sales and maturities of investments	108,744	-
Purchases of investments	(51,577)	(127,029)
Purchases of property and equipment	(242,876)	(2,602)
Net cash provided by (used in) investing activities	<u>42,729</u>	<u>(393,551)</u>
Cash Flows From Financing Activities		
Proceeds from Paycheck Protection Program	71,848	-
Payments on capital lease obligation	(2,064)	(2,063)
Net cash provided by (used in) financing activities	<u>69,784</u>	<u>(2,063)</u>
Net change in cash and cash equivalents	257,580	(253,134)
Cash and cash equivalents, beginning balance	371,476	624,610
Cash and cash equivalents, ending balance	<u>\$ 629,056</u>	<u>\$ 371,476</u>

See accompanying notes to financial statements.

Childrens Advocacy Center - Hope House

Notes to Financial Statements

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Childrens Advocacy Center - Hope House (the “Center”), formally known as St. Tammany Children’s Advocacy Center, is an independent nonprofit organization formed on May 31, 1994 in the State of Louisiana. The Center is dedicated to ending the cycle of child abuse in the community by providing a path to justice and a bridge to healing for child victims of abuse. The Center provides forensic interviewing, family advocacy, counseling services, and prevention outreach within St. Tammany and Washington Parishes.

Basis of Accounting

The financial statements of the Center have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The supplementary schedule of justice system funding – receiving entity has been prepared on the cash basis as required by Act 87 of Louisiana’s 2020 regular legislative session.

Financial Statement Presentation

The financial statements of the Center are presented in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) *Audit and Accounting Guide for Not-for-Profit Organizations* (the “Guide”).

Net Assets

Under the provisions of the Guide, the classification of a not-for-profit organization's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the classes of net assets be displayed in the statements of financial position and that the amounts of change in each of those classes of net assets be displayed in the statements of activities. In accordance with U.S. generally accepted accounting principles (U.S. GAAP), the Center reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

- Net assets without donor restriction: net assets available for general use to support operations. The only limits on the use of net assets without donor restriction are broad limits resulting from the nature of the Center, the environment in which it operates, and the purposes specified in its corporate documents.
- Net assets with donor restriction: net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or programmatic purposes specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Use of Estimates

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

Childrens Advocacy Center - Hope House

Notes to Financial Statements

Reclassifications

Certain revenue and expense accounts in the prior year financial statements have been reclassified to conform to the presentation in the current year financial statements. These reclassifications had no effect on net assets.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents certain categories of expenses that are attributable to both program services and supporting activities. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries are allocated on the basis of estimates of time and effort and other natural costs are allocated on the basis of management identification based on observation and professional evaluation of the direct benefit of the cost to a particular program function or supporting function.

Cash and Cash Equivalents

For financial statement purposes, cash includes demand deposits and cash equivalents include amounts in money market funds. All highly liquid investments with an original maturity of three months or less are considered cash equivalents.

Investments

Investments consist of certificates of deposit, money market funds, and pooled investments and are carried at fair value. Purchases and sales of investments are recorded on trade dates and realized gains and losses are determined on the basis of average cost of securities sold. Investment return includes interest, dividends, administrative fees, and realized and unrealized gains and losses, and is included in the statement of activities and changes in net assets as investment returns or losses in net assets without donor restrictions.

Accounts Receivable

Accounts receivable consists of fees due from a local governmental entity. Management periodically reviews the status of all accounts receivable balances for collectability. Each receivable balance is assessed based on management's knowledge of the customer, the Center's relationship with the customer, and the age of the receivable balance. As a result of these reviews, customer balances deemed to be uncollectible are charged to the allowance for doubtful accounts. Management has deemed all balances to be collectible at December 31, 2020 and 2019; therefore, no allowance for doubtful accounts has been reported.

Property and Equipment

Property and equipment with a cost in excess of \$1,000 and a projected useful life exceeding one year are capitalized and recorded at cost. Depreciation and amortization on property and equipment is computed using the straight-line method over the estimated useful lives of the related assets as follows:

Buildings and improvements	15 - 39 years
Computers and equipment	5 - 7 years
Furniture and fixtures	5 - 10 years

Repairs and maintenance costs are expensed as incurred. Upon the retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the respective accounts and any resulting gain or loss is included in revenues or expenses.

Childrens Advocacy Center - Hope House

Notes to Financial Statements

Grants and Contributions

The Center follows ASC Subtopic 958-605, *Revenue Recognition*, to recognize cash contributions from individuals and domestic organizations. These contributions, including unconditional promises, are recognized as revenue when the donor's unconditional commitment is received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions.

When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions with donor restrictions which are fulfilled in the time period in which the contribution is received are recorded as net assets without donor restrictions in the financial statements. Conditional promises to give are recognized only when the conditions on which they depend are substantially met.

Advertising Costs

Advertising costs are expensed as incurred and allocated among the programs and supporting services benefited within the operating services and supplies line item on the statement of functional expenses. Advertising expenses were \$25,847 for the year ended December 31, 2020 and \$6,049 for the year ended December 31, 2019.

Employee Retirement Benefits

The Center provides a defined contribution retirement plan (the "Plan") that is a savings plan operating under Section 401(k) of the Internal Revenue Code for all employees who are over the age of 21. The purpose of the Plan is to provide retirement benefits for participating employees. Under the Plan, the Center matches up to three percent of employee payroll of covered employees. The contributions, together with voluntary employee contributions, are invested by a third-party investment advisory company, the rights to which immediately vest with the employees. The Center reported contributions to the Plan of \$9,936 for the year ended December 31, 2020.

Income Taxes

The Center has been recognized by the Internal Revenue Service as an organization exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in these financial statements. With few exceptions, the Center is no longer subject to federal or state examinations by tax authorities for the year before 2017.

The Center follows the provisions of the *Accounting for Uncertainty in Income Taxes* topic of the FASB Codification, which clarifies the accounting and recognition for income tax positions taken or expected to be taken in the Center's information tax returns. Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. Under this guidance, the Center may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. There were no unrecognized tax benefits or obligations identified or recorded for the years ended December 31, 2020 and 2019.

Childrens Advocacy Center - Hope House

Notes to Financial Statements

New Pronouncements

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. Under ASU 2016-02, leases will continue to be differentiated between finance leases and operating leases. However, the principal difference from previous guidance is that a lessee should recognize a liability to make lease payments (the lease liability) in the statement of financial position and a right-of-use asset representing its right to use the underlying asset for the lease term for financing leases in addition to operating leases with a term of twelve months or more. The requirements of this Statement have been postponed by 18 months until reporting period beginning after June 15, 2021. Management is currently evaluating the impact ASU 2016-02 will have on the financial statements.

2. Liquidity and Availability

The Center has \$885,624 of financial assets available within one year of the statement of financial position date. The Center strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. As part of this liquidity management, the Center invests cash in excess of daily requirement in deposit savings accounts, money market funds, and certificates of deposit.

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 of the following:

	2020	2019
Cash and cash equivalents	\$ 629,056	\$ 371,476
Grants receivable	102,221	4,744
Investments	154,347	424,367
	<u>\$ 885,624</u>	<u>\$ 800,587</u>

3. Investments

Investments are carried at fair value and are comprised of the following at December 31:

	2020	2019
Money market funds	\$ -	\$ 50,320
Certificates of deposit	59,324	287,762
Pooled investments held by Northshore Community Foundation on behalf of the Center	95,023	86,285
	<u>\$ 154,347</u>	<u>\$ 424,367</u>

Childrens Advocacy Center - Hope House

Notes to Financial Statements

The following schedule summarizes investment returns including interest and administrative fees, and its classification in the financial statements for the years ended December 31:

	2020	2019
Unrealized gains on investments	\$ 7,191	\$ 9,576
Realized gains on investments	8,394	-
Interest and dividend income	2,381	8,279
Investment fees	(804)	(665)
	<u>\$ 17,162</u>	<u>\$ 17,190</u>

Custodial Credit Risk

The risk that in the event of the failure of the counterparty to a transaction the Center will not be able to recover the value of investments that are in the possession of an outside party. At December 31, 2020 and 2019, the Center's investments in certificates of deposit, money market funds, and external investment pools are not susceptible to custodial credit risk because its existence is not evidenced by securities that exist in physical or book entry form.

4. Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, defines fair value and establishes a framework for measuring fair value for assets and liabilities that are measured at fair value on a recurring basis. The Center has categorized its applicable financial instruments into a required fair value hierarchy. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value which are as follows:

- Level 1 – Inputs based on quoted prices (unadjusted) in active markets for identical assets or liabilities accessible at the measurement date.
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets.
- Level 3 – Unobservable inputs for the asset or liability, including the reporting entity's own assumptions in determining the fair value measurement.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The investments in the Northshore Community Foundation pool represent various specific investments and various pools of funds held by Northshore Community Foundation for the benefit of the Center and other non-profit organizations. These funds are measured on a recurring basis through estimates and assumptions made by the Northshore Community Foundation. All of the Center's pooled investments held by the Northshore Community Foundation are considered level 2 investments.

Childrens Advocacy Center - Hope House

Notes to Financial Statements

The following table sets forth by level the Center's assets at fair value at December 31, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments				
Certificates of deposit	\$ 59,324	\$ -	\$ -	\$ 59,324
Pooled investments	-	95,023	-	95,023
	<u>\$ 59,324</u>	<u>\$ 95,023</u>	<u>\$ -</u>	<u>\$ 154,347</u>

The following table sets forth by level the Center's assets at fair value at December 31, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash equivalents				
Money market funds	\$ 58,758	\$ -	\$ -	\$ 58,758
Investments				
Money market funds	50,320	-	-	50,320
Certificates of deposit	287,762	-	-	287,762
Pooled investments	-	86,285	-	86,285
	<u>338,082</u>	<u>86,285</u>	<u>-</u>	<u>424,367</u>
	<u>\$ 396,840</u>	<u>\$ 86,285</u>	<u>\$ -</u>	<u>\$ 483,125</u>

5. Property and Equipment

Property and equipment consist of the following at December 31:

	<u>2020</u>	<u>2019</u>
Assets not being depreciated		
Land	\$ 20,232	\$ 20,232
Assets being depreciated		
Building and improvements	358,997	160,686
Computers and equipment	72,048	72,098
Furniture and fixtures	27,831	28,836
	<u>458,876</u>	<u>261,620</u>
Less: accumulated depreciation	<u>(133,747)</u>	<u>(159,331)</u>
	<u>325,129</u>	<u>102,289</u>
	<u>\$ 345,361</u>	<u>\$ 122,521</u>

Depreciation expense for the years ended December 31, 2020 and 2019 was \$17,136 and \$12,281, respectively.

Childrens Advocacy Center - Hope House

Notes to Financial Statements

6. Non-exchange Transaction

The Center entered into an agreement with First Baptist Church of Bogalusa in May 2009 for the use of its premises at no costs until canceled by either party. The facility is to be used by the Center's counselors to provide services to children in Washington Parish, Louisiana. The Center is responsible for an allocated portion of utilities.

7. Capital Lease Obligation

The Center is the lessee of a copier under a capital lease and is obligated under the lease through November 2023. The asset and liability under the lease are recorded at the present value of the minimum lease payments totaling \$10,317. The asset is amortized over the lease term of 60 months at \$172 per month. The accumulated amortization was \$6,534 as of December 31, 2020. Future minimum lease payments under the capital lease are as follows:

<u>December 31:</u>	<u>Amount</u>
2021	\$ 2,063
2022	2,063
2023	<u>1,892</u>
	<u>\$ 6,018</u>

Amortization expense was \$2,063 for the year ended December 31, 2020 and \$2,063 for the year ended December 31, 2019 and included in depreciation expense on the statement of functional expenses.

8. Paycheck Protection Program

In May 2020, the Center qualified for and received a loan in the amount of \$71,848 from Kabbage Funding pursuant to the Paycheck Protection Program (the "PPP"). The PPP was implemented by the United States Small Business Administration (the "SBA") under the Coronavirus Aid, Relief, and Economic Security Act. The loan bears interest at a fixed rate of 1% per annum. As of December 31, 2020, the full amount of the loan met the conditions set forth by the SBA and was expended in 24 weeks.

The Center has elected to derecognize the PPP loan, and recorded revenue on the statement of activities, as the conditions of the loan were met. As a conditional contribution, the portion of the PPP loan proceeds received prior to incurring qualifying expenditures and meeting the full-time equivalent head count was reported as a refundable advance on the statement of financial position. As of December 31, 2020, all conditions related to recognizing the loan had been met, and no refundable advance was required to be reported. Management expects the full PPP loan amount to be forgiven.

Childrens Advocacy Center - Hope House

Notes to Financial Statements

9. Concentrations of Credit Risk

Financial instruments that potentially subject the Center to significant concentrations of credit risk consist of cash and cash equivalents. The Center maintains cash and certificate of deposit balances in financial institutions which may, at time, exceed Federal Deposit Insurance Corporation (FDIC) limits. The Center has not experienced any losses in these accounts and does not believe it is exposed to any significant custodial credit risk related to these accounts. In January 2020, the Center implemented a policy to allocate deposits to minimize the likelihood of deposits exceeding the FDIC limits.

10. Subsequent Events

Management has evaluated subsequent events through June 23, 2021, which is the date the financial statements were available to be issued.

Supplementary Information

Childrens Advocacy Center - Hope House
Schedule of Compensation, Benefits, and Other Payments to Executive Director
For the Year Ended December 31, 2020

Agency Head: Thomas Mitchell

Position: Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 90,000
Bonus	650
Benefits - insurance	4,790
Benefits - retirement	2,719
Cell phone allowance	1,200
Expense reimbursements	3,677
Professional licenses and education	435
	<u>\$ 103,471</u>

Louisiana Revised Statute (R.S.) 24:513 A. (3) requires virtually every local auditee report that is submitted to the Louisiana Legislative Auditor to include a schedule of compensation, benefits, and other payments to the agency head. The compensation, benefits, and other payments that are to be reported on this schedule include travel, unvouchered expenses, per diem, registration fees, reimbursements, etc. and is presented on an accrual basis.

Childrens Advocacy Center - Hope House
Schedule of Justice System Funding – Receiving Entity
For the Year Ended December 31, 2020

Receipts From	First Six Month Period Ended 06/30/20	Second Six Month Period Ended 12/31/20	Total Receipts
St. Tammany Parish Sheriff's Office Bail Bond Fees	\$ 21,673	\$ 39,060	\$ 60,733

*Schedule is required by Act 87 of Louisiana's 2020 Regular Legislative Session
and is presented on a cash basis*