

*Children's Advocacy
Network, Inc.*

Alexandria, Louisiana

December 31, 2020

Children's Advocacy Network, Inc.

December 31, 2020

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PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

Independent Auditor's Report

To the Board of Directors of
Children's Advocacy Network, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Children's Advocacy Network, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
Children's Advocacy Network, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Children's Advocacy Network, Inc., 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of CASA Assistance Program revenue and expenses, the schedule of compensation, benefits, and other payments to agency head or chief executive officer, and the justice system funding schedule for a receiving entity are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also 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 Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2021, on our consideration of Children's Advocacy Network, 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 Children's Advocacy Network, 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 Children's Advocacy Network, Inc's., internal control over financial reporting and compliance.

Payne, Moore & Herrington, LLP
Certified Public Accountants
Alexandria, Louisiana

June 17, 2021

Children's Advocacy Network, Inc.
Statement of Financial Position
December 31, 2020

Exhibit A

Assets

Current Assets

Cash		\$	409,005
Receivables			245,328
Total Current Assets			654,333

Investments

1,156,659

Property, Plant, and Equipment - Net of Depreciation

482,334

Other Assets

Deposits			2,755
			2,755

Total Assets

\$ 2,296,081

Liabilities and Net Assets

Current Liabilities

Accounts payable		\$	35
Accrued liabilities			2,321
Total Current Liabilities			2,356

Net Assets

Without donor restrictions			
Undesignated			1,010,602
Designated - long-term investment plan			1,217,497
With donor restrictions			65,626
Total Net Assets			2,293,725

Total Liabilities and Net Assets

\$ 2,296,081

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

Children's Advocacy Network, Inc.
Statement of Activities
Year Ended December 31, 2020

Exhibit B

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions	\$ 231,229	\$ -	\$ 231,229
Fundraising events	107,042	-	107,042
Grants	57,506	1,664,124	1,721,630
Court costs	30,635	-	30,635
Investment income			
Interest and dividends	39,598	-	39,598
Unrealized gain (loss) on investments	39,872	-	39,872
Net assets released from restrictions	1,693,202	(1,693,202)	-
Total Revenue and Support	2,199,084	(29,078)	2,170,006
Expenses			
<i>Program Services</i>			
Advocacy Center	855,074	-	855,074
CASA	1,041,377	-	1,041,377
Total Program Services	1,896,451	-	1,896,451
<i>Supporting Services</i>			
Management and general	138,745	-	138,745
Fundraising	2,747	-	2,747
Total Supporting Services	141,492	-	141,492
Total Expenses	2,037,943	-	2,037,943
Change in Net Assets	161,141	(29,078)	132,063
Net Assets - Beginning of Year	2,066,958	94,704	2,161,662
Net Assets - End of Year	\$ 2,228,099	\$ 65,626	\$ 2,293,725

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

Children's Advocacy Network, Inc.
Statement of Functional Expenses
Year Ended December 31, 2020

Exhibit C

	Program Services			Supporting Services			Total Expenses
	Advocacy Center	CASA	Total	Management and General	Fundraising	Total	
Advertising	\$ 2,415	\$ 71,423	\$ 73,838	\$ 1,181	\$ -	\$ 1,181	\$ 75,019
Payroll taxes and benefits	68,132	94,220	162,352	14,256	-	14,256	176,608
Salaries	472,817	653,853	1,126,670	98,935	-	98,935	1,225,605
Telephone and utilities	23,736	32,824	56,560	4,967	-	4,967	61,527
Supplies	34,462	49,034	83,496	2,570	-	2,570	86,066
Insurance	13,570	11,632	25,202	-	-	-	25,202
Professional services	75,468	27,159	102,627	2,800	-	2,800	105,427
Depreciation	25,752	35,612	61,364	5,387	-	5,387	66,751
Rent	90,000	31,350	121,350	-	-	-	121,350
Travel and education	45,388	22,101	67,489	-	-	-	67,489
Other	3,334	12,169	15,503	8,649	2,747	11,396	26,899
Total Expenses	\$ 855,074	\$ 1,041,377	\$ 1,896,451	\$ 138,745	\$ 2,747	\$ 141,492	\$ 2,037,943

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

Children's Advocacy Network, Inc.
Statement of Cash Flows
Year Ended December 31, 2020

Exhibit D

Cash Flows from Operating Activities	
Change in net assets	\$ 132,063
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:	
Depreciation	66,751
Noncash charitable contributions	(60,000)
Unrealized (gain) or loss on investments	(39,872)
Changes in operating assets and liabilities:	
Receivables	219,140
Accounts payable	(911)
Accrued liabilities	2,031
Net Cash Provided by (Used in) Operating Activities	319,202
Cash Flows from Investing Activities	
Purchase of property and equipment	(67,384)
Purchase of investments	(100,966)
Proceeds from the sale of investments	125,335
Maturity of investments	35,046
Interest and dividends reinvested	(15,852)
Net Cash Provided by (Used in) Investing Activities	(23,821)
Net Cash Provided by (Used in) Financing Activities	-
Net Increase (Decrease) in Cash	295,381
Cash, Beginning of Year	113,624
Cash, End of Year	\$ 409,005

Additional Required Disclosures:

1. No amounts were paid for interest during the year.
2. No amounts were paid for taxes during the year.
3. There were no material noncash financing transactions during the year that affected recognized assets and liabilities.
As disclosed in Note 1, a mobile unit and its equipment was received from a donor during the year ended December 31, 2020.

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

Children's Advocacy Network, Inc.
December 31, 2020

Notes to Financial Statements

1. Summary of Significant Accounting Policies:

Organization

Children's Advocacy Network, Inc. (C.A.N.) is a nonprofit organization which utilizes an interagency approach to the investigation, prosecution, and treatment of children sexually and physically abused. The mission of C.A.N. is to lessen the trauma experienced by child abuse victims as allegations are investigated and to provide support for the child victim in any resulting proceeding within the criminal justice system. Program activities conducted in pursuit of this mission are described as follows:

- Advocacy Center – The advocacy center coordinates the efforts of child protection staff, law enforcement professionals, family advocates, medical experts, and mental health clinicians under one roof to foster hope and healing for children and their families.
- CASA – Court Appointed Special Advocates (CASAs) are trained community volunteers appointed by the judge to represent the interests of abused and neglected children. CASAs conduct an independent investigation for the purposes of providing the court with objective recommendations regarding the child's best interest. C.A.N. recruits, screens, and trains CASA volunteers.

Basis of Presentation

The financial statements have been prepared on the accrual basis in conformity with generally accepted accounting principles.

As required by Generally Accepted Accounting Standards, net assets and activities are classified in the following manner:

- Net assets without donor restrictions – These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, court costs, and interest from operating investments, less expenses incurred in providing program related services, raising contributions, and performing administrative functions.
- Net assets with donor restrictions – These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished. Until that time, these net assets are restricted.

Cash and Cash Equivalents

Cash and cash equivalents represent bank deposits and highly liquid investments with original maturities of three months or less.

Children's Advocacy Network, Inc.
December 31, 2020

Notes to Financial Statements

Promises to Give

As required by generally accepted accounting principles, unconditional promises to give are reported as revenue when the promise is made. Conditional promises to give are recognized as revenue when the necessary conditions are fulfilled. Grants provided by the CASA Assistance Program and Louisiana Commission on Law Enforcement are considered conditional promises to give while all other grants received are considered unconditional promises to give.

Certificates of Deposit

Certificates of deposit have a maturity date in excess of 90 days when purchased and are stated at cost, which approximates market value. Certificates of deposit having a maturity date greater than one year from year-end are considered long-term assets.

Investments

Investments consist of marketable securities that are reported at fair market value based on quoted market prices. Equity investments that are not actively traded are reported at cost when fair market values are not available.

Property, Plant, and Equipment

Property, plant, and equipment are recorded at cost on the date of acquisition. Additions and betterments of \$1,000 or more are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently. Donated property is recorded at the estimated fair value upon receipt. Depreciation is computed using the straight-line methods over estimated useful lives ranging from 5 to 40 years.

Assets donated with explicit restrictions regarding their use and contributions of cash earmarked to acquire property and equipment are reported as support with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, C.A.N. reports expirations of donor restrictions when the donated or acquired assets are placed in service. C.A.N. reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

During the year ended December 31, 2020, a mobile unit and its equipment were donated to C.A.N. with an estimated fair value of \$60,000.

Compensated Absences

Employees are allowed to accumulate and carry over a maximum of 40 hours of vacation time per year. Actual amounts carried over were immaterial at December 31, 2020.

Use of Donated Facilities

C.A.N. rents an office facility for \$1 each year under the terms of a lease agreement (see Note 14 – Leases). Contribution revenue and rent expense are recognized in an amount approximating the annual estimated fair value rental of the property.

Children's Advocacy Network, Inc.
December 31, 2020

Notes to Financial Statements

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated are salaries, payroll taxes and benefits, telephone and utilities, and depreciation, which are based on time spent. All other expenses are allocated based on direct costs.

Advertising

C.A.N.'s advertising programs are not considered to have any significant benefits for future periods. Accordingly, advertising costs are expensed as incurred.

Income Taxes

C.A.N. is a not-for-profit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Furthermore, C.A.N. is not classified as a "private foundation" by the Internal Revenue Service.

C.A.N.'s tax returns remain subject to audit by the IRS for three years after filing. At December 31, 2020, the returns for 2017, 2018, and 2019 remain open.

Estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires certain estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through June 17, 2021, the date which the financial statements were available for issue.

2. Cash

Demand deposits	\$ 348,167
Money market accounts	<u>60,838</u>
	\$ 409,005

3. Receivables

Grants	\$ 220,065
Court costs	<u>25,263</u>
	\$ 245,328

Receivables are considered entirely collectible, and there is no allowance for doubtful accounts. Furthermore, the entire balance is considered collectible within one year.

Children's Advocacy Network, Inc.
December 31, 2020

Notes to Financial Statements

4. Investments

Investment securities are reported at quoted market prices. Investment securities held at year-end are described as follows:

Fixed income securities	\$	110,045
Mutual funds		578,998
Exchange traded products		459,576
Real estate investment trust		<u>8,040</u>
	\$	<u>1,156,659</u>

Fixed income securities consist of various bond issues that are described more fully as follows:

	<u>Moody Rating</u>	<u>Maturity Date</u>	<u>Rate</u>	<u>Total</u>
JPMorgan Chase Group	A3	09/10/24	3.875%	\$ 55,823
Wells Fargo Group	A2	02/19/25	3.000%	<u>54,222</u>
				\$ 110,045

Mutual funds consist of various professionally managed investment arrangements designed to invest in various securities. Details related to mutual fund holdings are described as follows:

<u>Investment Category</u>		
Domestic convertible securities	\$	56,560
Intermediate term bonds		352,234
High yield bonds		47,739
World bonds		96,993
Variable rate senior corporate debt		<u>25,472</u>
	\$	<u>578,998</u>

Exchange traded products are investment vehicles that are traded on various stock exchanges. These funds are invested in various securities in a manner designed to track various market indices that are more fully described as follows:

Children's Advocacy Network, Inc.
December 31, 2020

Notes to Financial Statements

<u>Market Index</u>	<u>Total</u>
IShares	
Morningstar Dividend Leaders Index	\$ 44,385
Morgan Stanley Capital International – Emerging Markets	37,977
Exchange - Traded Northern American Energy Infrastructure	26,422
S & P 500 Citigroup Growth	68,926
S & P North American Natural Resources Sector	21,427
Morgan Stanley Capital International – Europe, Australasia, and Far East	42,317
S & P Midcap 400/Citigroup Value	43,150
S & P Smallcap 600/Citigroup Value	42,769
S & P U.S. Preferred Stock	50,063
JPMorgan Ultra-Short Income	50,790
Utilities Select Sector SPDR Fund	31,350
	<u>\$ 459,576</u>

A real estate investment trust (REIT) invests in commercial properties, industrial properties, and loans secured by real estate. Shares in the REIT are not actively traded but shareholders are offered an opportunity to redeem shares at amounts based on estimated fair market values. The estimated fair market values have been determined based on valuations provided by third party real estate advisors. Management has evaluated these shares for impairment and determined that there were no circumstances or events that are expected to have an adverse impact on the value of the REIT investments.

5. Endowments

The endowments held by C.A.N. consist entirely of funds designated by the Board of Directors and are classified as net assets without donor restrictions. C.A.N. invests these funds according to an investment strategy that currently includes having an independent investment advisor manage the funds to achieve a total return of about 7% per year by investing in asset classes such as money market, fixed income, equity, and alternative investments. C.A.N.'s current spending policy includes distributing investment income of 5% to support undesignated operations and reinvesting any income in excess of 5%.

Changes in endowment net assets for the year ended December 31, 2020, consist of the following:

	<u>Total</u>
Endowment, beginning of year	\$ 1,138,590
Contributions	7,911
Investment income	74,635
Net appreciation (depreciation)	39,872
Fees	-
Appropriations	<u>(43,511)</u>
Endowment, end of year	\$ 1,217,497

Children's Advocacy Network, Inc.
December 31, 2020

Notes to Financial Statements

6. Fair Values

C.A.N. is required to disclose estimated fair value for all financial instruments and non-financial instruments measured at fair value on a recurring basis. The fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Generally accepted accounting principles establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels as follows:

- Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

C.A.N. uses the appropriate valuation technique based on the available inputs to measure the fair value of its investments.

Details regarding assets measured at fair value on a recurring basis are provided as follows:

Description	Fair Value Measurement at Reporting Date Using			
	Total 12/31/20	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed income securities	\$ 110,045	\$ 110,045	\$ -	\$ -
Mutual funds	578,998	578,998	-	-
Exchange traded products	459,576	459,576	-	-
Real estate investment trust	8,040	-	8,040	-
Total Investments	\$ 1,156,659	\$ 1,148,619	\$ 8,040	\$ -

A reconciliation of fair values measured using Level 2 inputs is provided as follows:

Fair Value Measurements Using Level 2 Inputs	
Beginning Balance	\$ 15,160
Distributions	(5,600)
Unrealized gain (loss) on investment	(1,520)
Ending Balance	\$ 8,040

Children's Advocacy Network, Inc.
December 31, 2020

Notes to Financial Statements

7. Property, Plant, and Equipment

Office building	\$ 219,151
Furniture, equipment, and vehicles	497,990
Leasehold improvements	<u>300,700</u>
Total property, plant, and equipment	1,017,841
Accumulated depreciation	<u>(535,507)</u>
Property, plant, and equipment, net of accumulated depreciation	\$ 482,334

Depreciation expense for 2020 was \$66,751.

8. Net Assets without Donor Restrictions

C.A.N.'s net assets without donor restrictions totaled \$2,228,099 as of December 31, 2020. Of this amount, \$1,217,497 was designated by the Board of Directors as a long-term investment plan to establish reserves and generate investment income. Amounts held in money market accounts and investment securities have been designated for the long-term investment plan.

9. Net Assets with Donor Restrictions

The unexpended portion of various grants and contributions (cash and receivables) has been classified as net assets with donor restrictions due to restrictions imposed by various grantors and donors. Net assets with donor restrictions at year-end consist of the following:

Louisiana Charities	\$ 36,292
Coughlin Saunders	899
Louisiana Alliance of Children's Advocacy Centers	<u>28,435</u>
	\$ 65,626

10. Conditional Promises to Give

C.A.N. is the recipient of CASA Assistance Program (CASA AP) funds provided through the State of Louisiana which include TANF (Temporary Assistance for Needy Families) funds from the federal government. C.A.N. is also the recipient of Crime Victim Assistance funds from the Louisiana Commission of Law Enforcement provided through the State of Louisiana from the federal government. Both grants are available on a cost reimbursement basis. Based on the terms of the grant agreements and past experience, these grant awards are not considered revenue until expenses qualifying for reimbursement are incurred. Accordingly, the unexpended portion of the grant awards is considered a conditional promise to give. At December 31, 2020, conditional promises to give included the following:

CASA Assistance Program	\$ 304,896
Crime Victim Assistance	<u>559,173</u>
	\$ 864,069

Children's Advocacy Network, Inc.
December 31, 2020

Notes to Financial Statements

11. Liquidity and Availability of Financial Assets

The following reflects C.A.N.'s financial assets as of December 31, 2020, reduced by amounts not available for general use within one year of the balance sheet date because of contractual or donor-imposed restrictions or internal designations:

Financial Assets:	
Cash	\$ 409,005
Receivables	245,328
Investments	<u>1,156,659</u>
	1,810,992
Less amount unavailable for general expenditure within one year due to purpose restrictions by donors	(65,626)
Less amount unavailable to management without Board's approval due to Board designation for long-term investment plan	<u>(1,217,497)</u>
Total financial assets available to meet cash needs for general expenditures within one year	\$ 527,869

C.A.N. must maintain sufficient resources to meet responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of C.A.N.'s liquidity management, it has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due. In addition, C.A.N. operates with a balanced budget and anticipates covering its general expenditures by collecting sufficient revenues and utilizing donor-restricted resources from current and prior years' contributions and grant funds.

12. Contingent Liabilities

Under the terms of federal and state grants, periodic audits are required, and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Any disallowed claims, including amounts already collected, could become a liability of C.A.N. Management of C.A.N. believes disallowances, if any, will not be material.

13. Concentrations

C.A.N. maintains a checking account at a local financial institution which is insured by the Federal Deposit Insurance Corporation up to \$250,000. The uninsured cash balance at December 31, 2020 was \$91,404. C.A.N. also has investment accounts with two brokerage firms which are insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000 each. Some brokerage firms carry additional insurance to cover amounts over \$500,000. There were no uninsured balances held in the brokerage firms at December 31, 2020.

CASA AP and Red River Delta provided \$1,530,957 in grants, which is approximately 71% of total revenue and support. Without these grants, programs would be significantly affected.

Children's Advocacy Network, Inc.
December 31, 2020

Notes to Financial Statements

14. Leases

C.A.N. has entered into the following lease agreements to rent office space:

Beginning in 2014, C.A.N. rents an office facility at 1506 Albert Street in Alexandria to conduct the forensic interviewing services. The term of the lease agreement covers the period from January 1, 2014 to December 3, 2028. Under this agreement, C.A.N. agrees to operate the facility as a children's advocacy center for the benefit of the community, pay for any remodeling, and pay an annual rental of \$1 due at the beginning of the lease. Contribution revenue and rent expense have been recognized in the amount of \$90,000 for the year ended December 31, 2020.

Beginning in 2015, C.A.N. rented an office facility at 631 North Main Street in Marksville to recruit, screen, and train CASA volunteers in Avoyelles Parish. The lease term began on April 1, 2019 and expired on March 31, 2020 with monthly payments of \$800. Total rent expense has been recognized in the amount of \$9,600 for the year ended December 31, 2020. Beginning in April 2020, the lease term is on a month-to-month basis.

Beginning March 1, 2016, C.A.N. rents an office facility at 453 Second Street in Colfax to recruit, screen, and train CASA volunteers in Grant Parish. The lease term is on a month-to-month basis with monthly payments of \$500. Total rent expense has been recognized in the amount of \$6,000 for the year ended December 31, 2020.

Beginning in 2016, C.A.N. rents an office facility at 104 South Jones Street in Winnfield to recruit, screen, and train CASA volunteers in Winn Parish. The lease term is on a month-to-month basis with monthly payments of \$500. Total rent expense has been recognized in the amount of \$6,000 for the year ended December 31, 2020.

Beginning April 1, 2019, C.A.N. rents an office facility at 2805C East Oak Street in Jena to recruit, screen, and train CASA volunteers in LaSalle Parish. The lease term is on a month-to-month basis with monthly payments of \$400. Total rent expense has been recognized in the amount of \$4,800 for the year ended December 31, 2020.

Beginning January 1, 2020, C.A.N. rents an office facility at 1109 Carter Street in Vidalia to recruit, screen, and train CASA volunteers in Catahoula and Concordia parishes. The lease term expired on December 31, 2020 with monthly payments of \$450. Total rent expense has been recognized in the amount of \$4,950 for the year ended December 31, 2020. This lease was extended on a month-to-month basis beginning on January 1, 2021.

15. Retirement Plan

C.A.N. provides the option for employees to participate in a 403(b) tax deferred retirement plan. An employee is immediately eligible to participate in this plan. Participants are allowed to make individual voluntary contributions to the plan through salary deferral. The maximum allowable contributions are regulated by the Internal Revenue Service regulations. C.A.N. does not make any matching or discretionary retirement plan contributions.

Supplemental Information

Children's Advocacy Network, Inc.
Schedule of CASA Assistance Program (CASA AP) Revenue and Expenses
Year Ended December 31, 2020

Schedule 1

CASA AP Revenue	
Federal (TANF)	\$ 276,391
State of Louisiana	332,753
Total CASA AP Revenue	<u><u>\$ 609,144</u></u>
CASA AP Expenses	
Salaries	\$ 312,585
Payroll taxes and benefits	49,293
Professional services	5,260
Operating expenses	127,486
Travel	13,041
Training	2,892
Supplies	23,262
Administration - CASA AP funded	75,325
Total CASA AP Expenses	<u><u>\$ 609,144</u></u>

See independent auditor's report.

**Children's Advocacy Network, Inc.
Schedule of Compensation, Benefits, and Other Payments
to Agency Head or Chief Executive Officer
Year Ended December 31, 2020**

Schedule 2

William Bond, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 75,325
Benefits - insurance	2,060
Travel	25
Reimbursements	<u>3,268</u>
Total	<u><u>\$ 80,678</u></u>

See independent auditor's report.

**Children's Advocacy Network, Inc.
Justice System Funding Schedule for a Receiving Entity
Year Ended December 31, 2020**

Schedule 3

As required by Act 87 of the 2020 Regular Legislative Session

Identifying Information

Entity Name:	Children's Advocacy Network, Inc.
LLA Entity ID #:	6127
Date that reporting period ended:	12/31/2020

If legally separate court funds are required to be reported, a separate receiving schedule should be prepared for each fund. Examples include Judicial Expense Fund, Drug Court Fund, Veterans Treatment Court Fund, etc.

Cash Basis Presentation

Receipts From:

Alexandria City Marshal, Criminal Court Costs/Fees
Rapides Parish Sheriff, Criminal Court Costs/Fees
Pineville City Marshal, Criminal Court Costs/Fees

	First Six Month Period Ended June 30, 2020	Second Six Month Period Ended December 31, 2020
\$ 17,447	\$ -	-
23,470		-
3,174		2,197
\$ 44,091	\$	2,197

Subtotal Receipts

Ending balance of Amounts Assessed but Not Received (only applies to those agencies that assess on behalf of themselves, such as courts)

	-	-
\$	-	-

**Children's Advocacy Network, Inc.
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2020**

Schedule 4

Federal Grantor/ Pass-through Grantor/ Program Name	CFDA Number	Pass-through Grant Number	Amount Expended
United States Department of Justice-			
Office for Victims of Crime			
Passed through Louisiana Alliance of Children's Advocacy Centers Services for Trafficking Victims	16.320	7-ALEX-02	\$ 22,757
Passed through the State of Louisiana Commission on Law Enforcement and Administration of Criminal Justice Crime Victim Assistance	16.575	2017-VA-03-4556	482,096
Crime Victim Assistance	16.575	2018-VA-03-5258	439,717
Passed through National Children's Alliance Improving the Investigation and Prosecution of Child Abuse and the Regional and Local Children's Advocacy Centers	16.758	ALEX-LA-SA20	7,000
Total United States Department of Justice			<u>951,570</u>
United States Department of Health and Human Services-			
Administration for Children and Families			
Passed through the State of Louisiana Office of the Judicial Administrator TANF Cluster			
Temporary Assistance for Needy Families (TANF)	93.558	N/A	57,364
Temporary Assistance for Needy Families (TANF)	93.558	N/A	219,027
Total United States Department of Health and Human Services			<u>276,391</u>
Total Expenditures of Federal Awards			<u>\$ 1,227,961</u>

Notes:

(1) The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of Children's Advocacy Network, Inc. (C.A.N.) under programs of the federal government for the year ended December 31, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the C.A.N., it is not intended to and does not present the financial position, changes in net position, or cash flows of C.A.N.

(2) Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

(3) No federal funds were awarded to subrecipients during the year ended December 31, 2020.

(4) Children's Advocacy Network, Inc. did not elect to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

See independent auditor's report.

**Other Reports Required by
Government Auditing Standards
And the Uniform Guidance**

**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***



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

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
Children's Advocacy Network, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Children's Advocacy Network, Inc. (C.A.N.) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 17, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Children's Advocacy Network, Inc.'s internal control over financial reporting (internal control) to determine the 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 C.A.N.'s internal control. Accordingly, we do not express an opinion on the effectiveness of C.A.N.'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 may exist that have not been identified.

Rebecca B. Morris, C.P.A.
Michael A. Juneau, C.P.A.
Cindy L. Humphries, C.P.A.
Deborah R. Dunn, C.P.A.

Rebecca G. Nation, C.P.A.
Evelyn T. Renfrow, C.P.A.
Kayla G. Holloway, C.P.A.





PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
Children's Advocacy Network, Inc.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Children's Advocacy Network, 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of C.A.N.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering C.A.N.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Payne, Moore & Herrington, LLP
Certified Public Accountants
Alexandria, Louisiana

June 17, 2021

**Independent Auditor's Report on Compliance for Each Major Program and on
Internal Control Over Compliance Required by the Uniform Guidance**



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors of
Children's Advocacy Network, Inc.

Report on Compliance for Each Major Federal Program

We have audited the Children's Advocacy Network, Inc.'s (C.A.N.) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of C.A.N.'s major federal programs for the year ended December 31, 2020. C.A.N.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Children's Advocacy Network, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Children's Advocacy Network, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of C.A.N.'s compliance.

Rebecca B. Morris, C.P.A.
Michael A. Juneau, C.P.A.
Cindy L. Humphries, C.P.A.
Deborah R. Dunn, C.P.A.

Rebecca G. Nation, C.P.A.
Evelyn T. Renfrow, C.P.A.
Kayla G. Holloway, C.P.A.





PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
Children's Advocacy Network, Inc.

Opinion on Each Major Federal Program

In our opinion, the Children's Advocacy Network, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of the Children's Advocacy Network, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered C.A.N.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of C.A.N.'s internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors of
Children's Advocacy Network, Inc.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Payne, Moore & Herrington, LLP

Certified Public Accountants
Alexandria, Louisiana

June 17, 2021

**Children's Advocacy Network, Inc.
Schedule of Findings and Questioned Costs
Year Ended December 31, 2020**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified		
Internal control over financial reporting:			
Material weakness(es) identified?	_____ Yes	<u> x </u> No	
Significant deficiency identified not considered to be a material weakness?	_____ Yes	<u> x </u> None reported	
Noncompliance material to financial statements noted?	_____ Yes	<u> x </u> No	
Management's Corrective Action Plan	Not applicable		
Management's Summary Schedule of Prior Audit Findings	Not applicable		
Memorandum of Other Comments and Recommendations	None issued		

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	_____ Yes	<u> x </u> No	
Significant deficiency identified not considered to be a material weakness?	_____ Yes	<u> x </u> None reported	
Type of auditor's report issued on compliance for major programs	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	_____ Yes	<u> x </u> None reported	

**Children's Advocacy Network, Inc.
Schedule of Findings and Questioned Costs
Year Ended December 31, 2020**

Identification of major programs:

CFDA Numbers

93.558

Name of Federal Program or Cluster

Temporary Assistance for Needy Families

Dollar threshold used to distinguish
between Type A and Type B programs:

\$750,000

Auditee qualified as low risk auditee?

 x Yes No

Section II - Financial Statement Findings

Not Applicable.

Section III – Federal Award Findings and Questioned Costs

Not Applicable.