

OFFICIAL
FILE COPY
DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

RECEIVED
LEGISLATIVE AUDITOR
00 JUN 30 AM 9:22

RAPIDES CHILDREN'S ADVOCACY CENTER

Annual Financial Report

For the Year Ended December 31, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JUN 07 2000

Table of Contents

Independent Auditors' Report	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6
<u>Supplemental Information:</u>	
Statement of Activities – I.O.L.T.A. Grant	9
Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	10
Summary of Findings and Questioned Cost	12
Management's Corrective Action Plan.....	13
Summary of Prior Year Findings and Questioned Cost.....	14

ROZIER, HARRINGTON & McKAY
CERTIFIED PUBLIC ACCOUNTANTS

1407 PETERMAN DRIVE
ALEXANDRIA, LOUISIANA 71301

JOHN S. ROZIER, IV, C.P.A.
M. DALE HARRINGTON, C.P.A.
MARK S. MCKAY, C.P.A.
LEE W. WILLIS, C.P.A.
LAWRENCE E. MAYBAUX, C.P.A.

MAILING ADDRESS
POST OFFICE BOX 12178
ALEXANDRIA, LOUISIANA 71315-2178
TELEPHONE (318) 442-1608
TELECOPIER (318) 487-2027

April 12, 2000

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Rapides Children's Advocacy Center

We have audited the accompanying statement of financial position of the Rapides Children's Advocacy Center (a non-profit organization) as of December 31, 1999, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Rapides Children's Advocacy Center as of December 31, 1999, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated April 12, 2000, on our consideration of the Rapides Children's Advocacy Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information referred to in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



ROZIER, HARRINGTON & McKAY
Certified Public Accountants

-Members-

American Institute of Certified Public Accountants • Society of Louisiana, CPAs

Rapides Children's Advocacy Center

Statement of Financial Position

December 31, 1999

Assets

Current assets:

Cash and cash equivalents	\$ 180,911
Grants and pledges receivable	325,693
Other current assets	<u>259</u>

Total current assets 506,863

Fixed assets, net of accumulated depreciation 63,832

Total assets \$ 570,695

Liabilities and Net Assets

Current liabilities:

Other current liabilities \$ 4,218

Total current liabilities 4,218

Net assets:

Unrestricted net assets:

Operating 426,480

Board designated - future facility acquisition 25,735

Total unrestricted net assets 452,215

Temporarily restricted 114,262

Total net assets 566,477

Total liabilities and net assets \$ 570,695

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

Rapides Children's Advocacy Center

Statement of Activities

For the Year Ended December 31, 1999

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Revenue and Support:</u>			
Contributions	\$ 120,784	\$ -	\$ 120,784
Grants	-	142,635	142,635
Court cost	70,839	-	70,839
State appropriation	125,000	-	125,000
Other income	4,509	-	4,509
Net assets released from restrictions	162,177	(162,177)	-
Total revenue and support	<u>483,309</u>	<u>(19,542)</u>	<u>463,767</u>
<u>Functional expenses:</u>			
<u>Program services:</u>			
Forensic Interviewing	72,785	-	72,785
CASA	136,702	-	136,702
Total program services	<u>209,487</u>	<u>-</u>	<u>209,487</u>
<u>Supporting services:</u>			
Management and General	60,159	-	60,159
Fund raising	3,077	-	3,077
Total supporting services	<u>63,236</u>	<u>-</u>	<u>63,236</u>
Total functional expenses	<u>272,723</u>	<u>-</u>	<u>272,723</u>
Increase (decrease) in net assets	210,586	(19,542)	191,044
Net assets - beginning of year	<u>241,629</u>	<u>133,804</u>	<u>375,433</u>
Net assets - end of year	<u>\$ 452,215</u>	<u>\$ 114,262</u>	<u>\$ 566,477</u>

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

Rapides Children's Advocacy Center

Statement of Functional Expenses

For the Year Ended December 31, 1999

	Program Services			Supporting Services			Total Expenses
	Forensic Interviewing	CASA	Total	Management and General	Fund Raising	Total	
Depreciation	\$ 7,025	\$ 14,832	\$ 21,857	\$ 5,898	-	\$ 5,898	\$ 27,755
Insurance	5,633	5,633	11,266	5,633	-	5,633	16,899
Other	26	1,713	1,739	2,138	3,077	5,215	6,954
Payroll taxes and benefits	3,281	7,305	10,586	4,137	-	4,137	14,723
Professional services	6,572	6,802	13,374	1,379	-	1,379	14,753
Salaries and wages	40,344	85,183	125,527	33,872	-	33,872	159,399
Supplies	842	2,989	3,831	3,692	-	3,692	7,523
Telephone and utilities	5,121	2,162	7,283	1,396	-	1,396	8,679
Travel and education	3,941	10,083	14,024	2,014	-	2,014	16,038
Total expenses	\$ 72,785	\$ 136,702	\$ 209,487	\$ 60,159	\$ 3,077	\$ 63,236	\$ 272,723

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

Rapides Children's Advocacy Center

Statement of Cash Flows

For the Year Ended December 31, 1999

Cash flows from operating activities:

Change in net assets	\$ 191,044
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:	
Depreciation	27,755
Change in operating assets and liabilities:	
(Increase) decrease in grants and pledges receivable	(170,482)
Increase (decrease) in other current liabilities	261
Net cash provided (used) by operating activities	<u>48,578</u>

Cash flows from investing activities:

Purchase of fixed assets	<u>(1,083)</u>
Net cash provided (used) by investing activities	<u>(1,083)</u>

Net increase (decrease) in cash and cash equivalents	47,495
Cash and cash equivalents - beginning of year	<u>133,416</u>
Cash and cash equivalents - end of year	<u>\$ 180,911</u>

Supplemental Data:

For the year ended December 31, 1999, there were no cash payments for interest or income taxes. Furthermore, there were no significant noncash investing or financing activities during the year.

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

RAPIDES CHILDREN'S ADVOCACY CENTER

Notes to Financial Statements

December 31, 1999

Note 1 – Summary of Significant Accounting Policies:

Organization:

The Rapides Children's Advocacy Center (the Center) is a non profit organization which utilizes an interagency approach to the investigation, prosecution and treatment of child sexual and physical abuse. The mission of the Center 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:

Forensic Interviewing – Child protection and law enforcement agencies refer children to the Center for confidential interviews regarding reports of child abuse. The interviews are conducted by specially trained professionals in a homelike setting. Interviews are recorded on videotape while making every effort to help the child feel safe, comfortable and supported.

CASA - Court Appointed Special Advocates (CASAs) are trained community volunteers appointed by the judge to represent the interest 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. The Center 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. 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.

As required by Statement of Financial Accounting Standards (SFAS) No. 117, net assets and activities are classified in the following manner:

Unrestricted – Net assets that are not subject to significant donor imposed restrictions.

Temporarily Restricted – Net assets subject to certain donor imposed restrictions and restrictions imposed by grant agreements. Temporary restrictions apply when the restriction can be fulfilled by actions of the Center or by the passage of time.

Permanently Restricted – Net assets subject to donor imposed restrictions that require these assets to be maintained in a perpetual manner.

Income Taxes:

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

RAPIDES CHILDREN'S ADVOCACY CENTER

Notes to Financial Statements

December 31, 1999

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.

Cash and Cash Equivalents:

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

Fixed Assets:

Fixed assets are recorded at cost on the date of acquisition. Donated property is recorded at the estimated fair value upon receipt. Depreciation is computed using accelerated methods over estimated useful lives ranging from 5 to 8 years.

Assets donated with explicit restrictions regarding their use and contributions of cash earmarked to acquire property and equipment are reported as temporarily restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Center reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Donated Services:

Volunteers are utilized extensively for both program and supporting services. Contributed services are recognized if the services require specialized skills and the Center would be required to purchase these services if donated services were not available. None of the contributed services received during the year ended December 31, 1999 were recognized as revenue.

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, 1999.

Note 2 – Grants and Pledges Receivable:

Grants and pledges receivable consisted entirely of unconditional promises to give. Details regarding the amount reported on the Statement of Financial Position are provided as follows:

	<u>1999</u>
Grants:	
National Children's Alliance	\$ 10,000
State Bar Association – I.O.L.T.A Grant	22,500
Louisiana Commission on Law Enforcement	110,163
Court cost	18,030
Huie-Dellmon Trust	40,000
State appropriation	125,000
<u>Total</u>	<u>\$ 325,693</u>

RAPIDES CHILDREN'S ADVOCACY CENTER

Notes to Financial Statements

December 31, 1999

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

Note 3 – Fixed Assets:

Details regarding fixed assets utilized by the Center are presented as follows:

	<u>1999</u>
Furniture, fixtures and equipment	\$ 89,298
Leasehold improvements	87,797
<hr/>	
Total fixed assets	177,095
Accumulated depreciation	(113,263)
<hr/>	
<u>Fixed assets net of accumulated depreciation</u>	<u>\$ 63,832</u>

Note 4 – Temporarily Restricted Net Assets:

The unexpended portion of various grants has been classified as temporarily restricted due to restrictions imposed by the grantor. Details regarding the temporarily restricted amounts are presented as follows:

	<u>1999</u>
National Children's Alliance	\$ 10,000
State Bar Association – I.O.L.T.A Grant	18,000
Louisiana Commission on Law Enforcement	86,262
<hr/>	
<u>Temporarily restricted net assets</u>	<u>\$ 114,262</u>

Note 5 – Concentration of Credit Risk:

At December 31, 1999, funds on deposit with various financial institutions exceeded available Federal Deposit Insurance Coverage by approximately \$84,519.

Rapides Children's Advocacy Center

Statement of Activities

I.O.L.T.A - Grant

For the Year Ended December 31, 1999

I.O.L.T.A. - grant revenue	\$ 18,000
 <u>Expenses:</u>	
Personnel	
Executive	19,395
Training	<u>3,000</u>
 Total Expenses	 <u>22,395</u>
 Increase (decrease) in net assets	 (4,395)
 Net Assets - Beginning of Year	 <u>22,395</u>
 Net Assets - End of Year	 <u>\$ 18,000</u>

ROZIER, HARRINGTON & McKAY
CERTIFIED PUBLIC ACCOUNTANTS

1407 PETERMAN DRIVE
ALEXANDRIA, LOUISIANA 71301

JOHN S. ROZIER, IV, C.P.A.
M. DALE HARRINGTON, C.P.A.
MARK S. MCKAY, C.P.A.
LEE W. WILLIS, C.P.A.
LAWRENCE E. MAYEAUX, C.P.A.

MAILING ADDRESS
POST OFFICE BOX 12178
ALEXANDRIA, LOUISIANA 71315-2178
TELEPHONE (318) 442-1608
TELECOPIER (318) 487-2027

April 12, 2000

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
Rapides Children's Advocacy Center

We have audited the financial statements of the Rapides Children's Advocacy Center, as of and for the year ended December 31, 1999, and have issued our report thereon dated April 12, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Rapides Children's Advocacy Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Rapides Children's Advocacy Center's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

-Members-

American Institute of Certified Public Accountants • Society of Louisiana, CPAs

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.



ROZIER, HARRINGTON & MCKAY
Certified Public Accountants

RAPIDES CHILDREN'S ADVOCACY CENTER

Summary of Findings and Questioned Cost For the Year Ended December 31, 1999

We were engaged to audit the financial statements of the Rapides Children's Advocacy Center as of and for the year ended December 31, 1999, and have issued our report thereon dated April 12, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our report expresses a unqualified opinion on the financial statements for the year ending December 31, 1999.

Section I - Summary of Auditor's Results:

- a. The report on internal control and compliance material to the financial statements reported the following items:
 - Internal Control – There were no reportable conditions
 - Compliance – No noncompliance that is material to the financial statements.

- b. Federal Awards:
 - N/A, Federal Awards received during the year ended December 31, 1999 were not sufficient in amount to require a single audit.

- c. Identification of Major Programs:
 - N/A

Section II - Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:

- None

Section III - Findings and Questioned Costs for Federal Awards Which Shall Include Audit Findings as Defined by OMB Circular A-133:

- None

RAPIDES CHILDREN'S ADVOCACY CENTER

Management's Corrective Action Plan For the Year Ended December 31, 1999

<u>SECTION I</u> INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
N/A – No findings of this nature were reported.	Response – N/A
<u>SECTION II</u> INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
N/A – No findings of this nature were reported.	Response – N/A
<u>SECTION III</u> MANAGEMENT LETTER	
<u>99-1, Employee Health Insurance:</u> The Center does not provide group health insurance coverage for its employees; however, the Center has adopted a policy that permits reimbursement for premiums incurred by employees in connection with maintaining private health insurance coverage. Any reimbursement for private health insurance premiums is considered to be part of an employees gross wages, but it has come to our attention that the reimbursements provided by the Center were excluded from amounts reported as gross wages. Accordingly, income taxes withheld by the Center and certain employment taxes paid by the Center have been calculated incorrectly.	<u>98-1, Response :</u> The Rapides Children's Advocacy Center is currently revising policies regarding employee health care benefits. It is expected that the new policy will furnish health insurance in a manner that allows the benefit to be appropriately excluded from the participant's gross income. Management anticipates implementing a revised policy as soon as approval is provided by the Board of Directors.
<u>98-2, Local Travel:</u> It has come to our attention that some employees receive allowances for local travel that are excluded from the employees gross income. In order for a travel allowance to be appropriately excluded from gross wages the employee must be required to furnish certain information to account for the allowance; however, the necessary information was not provided.	<u>98-2, Response</u> Upon receiving approval from the Board of Directors, management expects to adopt procedures that will require documentation to support any travel expenses incurred by employees. The proposed procedures will provide a reasonable amount of time for employees to furnish documentation supporting any travel allowances or advances. If the necessary information is not furnished with the required period of time, a refund will be required.

RAPIDES CHILDREN'S ADVOCACY CENTER

***Summary of Prior Year Findings and Questioned Cost
For the Year Ended December 31, 1999***

<u>SECTION I</u> INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
N/A – No findings of this nature were reported.	Response – N/A
<u>SECTION II</u> INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
N/A – No findings of this nature were reported.	Response – N/A
<u>SECTION III</u> MANAGEMENT LETTER	
N/A – No findings of this nature were reported.	Response – N/A

ROZIER, HARRINGTON & MCKAY

CERTIFIED PUBLIC ACCOUNTANTS

1407 PETERMAN DRIVE • ALEXANDRIA, LOUISIANA 71301

JOHN S. ROZIER, IV, CPA
M. DALE HARRINGTON, CPA
MARK S. MCKAY, CPA
LEE W. WILLIS, CPA
LAWRENCE E. MAYEAUX, CPA

RECEIVED
001 30 AM 9:22
MAILING ADDRESS
POST OFFICE BOX 12178
ALEXANDRIA, LOUISIANA 71315-2178
TELEPHONE (318) 442-1608
TELECOPIER (318) 487-2027

April 12, 2000

To the Board of Directors
Rapides Children's Advocacy Center

In planning and performing our audit of the financial statements of the Rapides Children's Advocacy Center (the Center) for the year ended December 31, 1999, we considered the Center's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure. However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. *Government Auditing Standards* do not require these additional comments to be included in the Center's audit report; however, the comments are of sufficient importance to be worthy of management's attention. Our comments and suggestions regarding those matters are provided as follows:

99-1, Employee Health Insurance:

The Center does not provide group health insurance coverage for its employees; however, the Center has adopted a policy that permits reimbursement for premiums incurred by employees in connection with maintaining private health insurance coverage. Any reimbursement for private health insurance premiums is considered to be part of an employees gross wages, but it has come to our attention that the reimbursements provided by the Center were excluded from amounts reported as gross wages. Accordingly, income taxes withheld by the Center and certain employment taxes paid by the Center have been calculated incorrectly.

In the future, any reimbursement of private health insurance coverage should be included in the employees gross wages. As an alternative to continuing to provide taxable reimbursements, the Center may consider one of the following options:

- Adopt a group health care plan that is available to all employees. Benefits provided by a bona fide group health care plan are not considered part of an employees gross wages.
- Establish an employee benefit plan known as a cafeteria plan. Cafeteria plans offer flexibility by allowing employees to select from a menu of available employee benefits. These plans can be particularly useful for working parents because daycare may be offered as one of the available benefits. Cafeteria plans are funded by withholding the cost of benefits from wages paid to the participating employees; however, amounts withheld under these arrangements are excluded from gross wages.

-Members-

American Institute of Certified Public Accountants • Society of Louisiana CPAs

98-2, Local Travel:

It has come to our attention that some employees receive allowances for local travel that are excluded from the employees gross income. In order for a travel allowance to be appropriately excluded from gross wages the employee must be required to furnish certain information to account for the allowance. Information that should be provided is described below:

- Purpose for trip.
- Destination.
- Miles traveled which will be applied to the allowance at the Internal Revenue Service's standard mileage rate.
- Documentation to support the cost of any tolls, parking fees or similar cost.

In the future, any allowance that is not accounted for by the employee should be included in the employees gross wages.

We will be available at your convenience to discuss our comments and suggestions in greater detail. Our firm will also be available to assist in implementing these recommendations.



ROZIER, HARRINGTON & MCKAY
Certified Public Accountants