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RAPIDES CHILDREN'S ADVOCACY CENTER

**Annual Financial Report
For the Year Ended December 31, 2003**

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 9.1.04

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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 nonprofit organization) as of December 31, 2003, 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 auditing standards generally accepted in the United States and *Government Auditing Standards*, issued by the Comptroller General of the United States, and the Provisions of Office of Management and Budget Circular A-133. 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, 2003, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued a report dated, June 28, 2004, on our consideration of the Rapides Children's Advocacy Center's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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.

Post & Ford

Post & Ford, CPAs

June 28, 2004

RAPIDES CHILDREN'S ADVOCACY CENTER
Statement of Financial Position
December 31, 2003

Assets

Current Assets:

Cash and cash equivalents	\$ 449,440
Grants and pledges receivable	<u>357,445</u>
Total current assets	806,885

Fixed assets, net of accumulated depreciation	59,622
Other Assets	<u>300</u>

Total assets	<u><u>\$ 866,807</u></u>
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Liabilities and Net Assets

Current Liabilities:

Accounts Payable	\$ 3,887
Other current liabilities	<u>5,996</u>
Total current liabilities	<u>9,883</u>

Net assets:

Unrestricted net assets:	
Operating	352,568
Board designated - future facility acquisition	<u>300,000</u>
Totally unrestricted net assets	652,568

Temporarily restricted	<u>204,356</u>
Total net assets	<u>856,924</u>

Total liabilities and net assets	<u><u>\$ 866,807</u></u>
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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, 2003

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Revenue and Support:</u>			
Contributions	\$ 36,874	\$ -	\$ 36,874
Grants	13,981	572,824	586,805
Court cost	69,587	-	69,587
State Appropriation	125,000	-	125,000
Other income	1,791	-	1,791
Net assets released from restrictions	468,270	(468,270)	-
Total revenue and support	<u>715,503</u>	<u>104,554</u>	<u>820,057</u>
<u>Functional expenses:</u>			
Program services:			
Forensic Interviewing	202,205	-	202,205
CASA	358,806	-	358,806
Total program services	<u>561,011</u>	<u>-</u>	<u>561,011</u>
Supporting services:			
Management and General	55,998	-	55,998
Fund raising	16,780	-	16,780
Total supporting services	<u>72,778</u>	<u>-</u>	<u>72,778</u>
Total functional expenses	<u>633,789</u>	<u>-</u>	<u>633,789</u>
Increase (decrease) in net assets	81,714	104,554	186,268
Net assets - beginning of year	<u>570,854</u>	<u>99,802</u>	<u>670,656</u>
Net assets - end of year	<u>\$ 652,568</u>	<u>\$ 204,356</u>	<u>\$ 856,924</u>

See the Accompanying Accountants' Compilation Report.

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, 2003

	Program Services			Supporting Services			Total Expenses
	Forensic Interviewing	CASA	Total	Management and General	Fundraising	Total	
Advertising	\$ 1,723	\$ 31,758	\$ 33,481	\$ -	\$ 2,500	\$ 2,500	\$ 35,981
Depreciation	23,010	10,715	33,725	4,312	-	4,312	38,037
Insurance	6,268	6,133	12,401	-	-	-	12,401
Other	5,871	2,188	8,059	793	14,280	15,073	23,132
Payroll taxes and benefits	9,584	17,082	26,666	3,409	-	3,409	30,075
Professional services	10,119	21,956	32,075	870	-	870	32,945
Rent	714	20,406	21,120	2,440	-	2,440	23,560
Salaries and wages	108,740	193,819	302,559	38,682	-	38,682	341,241
Supplies	9,190	15,018	24,208	2,731	-	2,731	26,939
Telephone and utilities	6,957	8,974	15,931	2,131	-	2,131	18,062
Travel and education	20,029	30,757	50,786	630	-	630	51,416
Total expenses	\$ 202,205	\$ 358,806	\$ 561,011	\$ 55,998	\$ 16,780	\$ 72,778	\$ 633,789

RAPIDES CHILDREN'S ADVOCACY CENTER
Statement of Cash Flows
For the Year Ended December 31, 2003

Cash flows from operating activities:

Change in net assets	\$ 186,268
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:	
Depreciation	38,037
Change in operating assets and liabilities:	
(Increase) decrease in grants and pledges receivable	(63,471)
Increase (decrease) in accounts payable	(975)
Increase (decrease) in other current liabilities	<u>831</u>
Net cash provided (used) by operating activities	<u>160,690</u>

Cash flows from investing activities:

Purchase of fixed assets	<u>(24,693)</u>
Net cash provided (used) by investing activities	<u>(24,693)</u>

Net increase (decrease) in cash and cash equivalents	135,997
Cash and cash equivalents – beginning of year	<u>313,443</u>

Cash and cash equivalents – end of year	<u>\$ 449,440</u>
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Supplemental Data:

For the year ended December 31, 2003, 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, 2003

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 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. 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 restrictions can be fulfilled by actions of the Center or by the passage of time.

RAPIDES CHILDREN'S ADVOCACY CENTER
Notes to Financial Statements
December 31, 2003

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.

Promises to Give:

As required by generally accepted accounting principles, unconditional promise 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 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, 2003 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, 2003.

RAPIDES CHILDREN'S ADVOCACY CENTER
Notes to Financial Statements
December 31, 2003

Advertising:

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

Note 2 – Receivables

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:

Grants	\$ 187,775
Court Costs	44,670
State Appropriation	<u>125,000</u>
 Total	 <u>\$ 357,445</u>

Receivables 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:

Furniture, fixtures and equipment	\$ 163,371
Leasehold improvements	<u>87,797</u>
 Total fixed assets	 251,168
Accumulated depreciation	<u>(191,546)</u>
 Fixed assets net of accumulated depreciation	 <u>\$ 59,622</u>

Note 4 – Temporarily Restricted Net Assets

The unexpected portion of various grants has been classified as temporarily restricted due to restrictions imposed by various grantors.

RAPIDES CHILDREN'S ADVOCACY CENTER
Notes to Financial Statements
December 31, 2003

Note 5 – Building Lease

The Rapides Children's Advocacy Center rents a facility in Alexandria, Louisiana. The original lease expired April 30, 2002 but it has been subsequently renewed in six month intervals. Under the current arrangement rental payments are \$1,850 per month. The lease includes an option to purchase the property for a sum of \$159,900 and states that all rents being paid prior to the purchase date would be applied to the purchase price.

Note 6 – Conditional Promise to Give

TANF (Temporary Assistance for Needy Families) \$ 202,715

Note 7 – Contingency

The Rapides Children's Advocacy Center has been named as a defendant in a lawsuit by a former employee alleging wrongful termination. Defense counsel is being provided by the Rapides Children Advocacy Center's insurance carrier. At the present time, it is not possible to estimate exposure to loss resulting from this litigation; however, any losses are not expected to exceed available insurance coverage

Note 8 – Economic Dependency

In recent years, the Rapides Children's Advocacy Center has depended on federal funds for a substantial portion of its support. During the year ended December 31, 2003 the Center expended \$317,280 in TANF funds that were passed through the state of Louisiana. However, the State of Louisiana has indicated that its allocation of TANF has been consumed and further awards from the TANF program are not expected. Accordingly, TANF funding is expected to cease when the current contract is fulfilled.

As discussed in Note 6, \$202,715 in TANF funds were available at December 31, 2003. Once these funds are spent, additional revenue sources will be needed in order to continue operating at present levels. Management expects anticipated fund raising activities to provide the necessary resources to maintain existing operations.

RAPIDES CHILDREN,S ADVOCACY CENTER
Statement of Activities
I.O.L.T.A. – Grant
For the Year Ended December 31, 2003

Revenues:	
I.O.L.T.A grant	\$ 7,205
Expenses:	
Salaries and wages	<u>7,205</u>
Increase (decrease) in net assets	-
<u>Net Assets – Beginning of Year</u>	<u>-</u>
Net Assets – End of Year	<u><u>-</u></u>

RAPIDES CHILDREN'S ADVOCACY CENTER
Schedule of Federal Financial Awards
For the Year Ended December 31, 2003

Federal Grantor/Pass-Through Grantor/Program	Federal CFDA Number	Federal Expenditures
Department of health and Hospitals Pass-through State of Louisiana Temporary Assistance For Needy Families(TANF)	93.558	\$ 317,280
Department of Justice Pass-through State of Louisiana Crime Victim Assistance	16.575	<u>90,215</u>
		<u>\$ 407,495</u>

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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, 2003, and have issued our report thereon dated June 28, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller 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 test 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 test disclosed no instances of noncompliance that are required to be reported un *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 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 to be material weaknesses.

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



Post & Ford, CPAs

June 28, 2004

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors
Rapides Children's Advocacy Center

Compliance

We have audited the compliance fo the Rapides Children's Advocacy Center with the types of compliance requirements described in the U.S. Office of Management and Budge (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2003, Rapides Children's Advocacy Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Rapides Children's Advocacy Center's management. Our responsibility is to express an opinion on Rapides Children's Advocacy Center's compliance based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB A-133 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 Rapides Children's Advocacy Center'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. Our audit does not provide a legal determination on Rapides Children's Advocacy Center's compliance with those requirements.

In our opinion Rapides Children's Advocacy Center complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2003.

Internal Control Over Compliance

The management of Rapides Children's advocacy Center is responsible for establishing and maintaining effective internal and maintaining effective internal control over compliance with requirements of laws, regulations, contract and grants applicable to federal programs. In planning and performing our audit, we considered Rapides Children's advocacy Center's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirement of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of Rapides Children's Advocacy Center's management. However, this report is a matter of public record and its distribution is not limited.



Post & Ford, CPAs
June 28, 2004

RAPIDES CHILDREN'S ADVOCACY CENTER
Summary of Findings and Questioned Costs
For the Year Ended December 31, 2003

Section 1 – Summary of Auditor's Results:

- The Independent Auditor's Report on the Rapides Children's Advocacy Center as of December 31, 2003 and for the year then ended expressed an unqualified opinion.
- The results of the audit disclosed no instances on noncompliance that are considered to be material to the financial statements of the Rapides Children's Advocacy Center.
- The Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133, expressed an unqualified opinion on compliance for major programs.
- The audit did not disclose any audit findings which are required to be reported as findings and questioned cost.
- Major programs for the year ended December 31, 2003 are presented as follows:

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CFDA NO. 93.558 Temporary Assistance For Needy Families (TANF)

- A threshold of \$30,000 was used for distinguishing between Type A and type B programs for purposes of identifying major programs.
- The Rapides children's Advocacy was not considered to be a low risk auditee as defined by the OMB Circular A-133

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, 2003**

Section 1 – Internal Control and Compliance Material to the Financial Statements

N/A – No findings of this nature were reported.

Response – N/A

Section II – Internal Control and Compliance Material to Federal Awards

N/A – No findings of this nature were reported.

Response – N/A

Section III – Management Letter

N/A – No management letter was issued with this report.

Response – N/A

RAPIDES CHILDREN'S ADVOCACY CENTER
Summary of Prior Year Findings and Questioned Cost
For the Year Ended December 31, 2002

Section I – Internal Control and Compliance Material to the Financial Statements

N/A – No findings of this nature were reported.

Response – N/A

Section II – Internal Control and Compliance Material to Federal Awards

N/A – No findings of this nature were reported.

Response – N/A

Section III – Management Letter

N/A – No management letter was issued with this report.

Response – N/A