

**CHILDREN'S BUREAU OF NEW ORLEANS**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2021**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
**Children's Bureau of New Orleans**  
New Orleans, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the **Children's Bureau of New Orleans (CBNO)** (a nonprofit organization) which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year 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.

### **Auditors' Responsibility**

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

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Board of Directors of  
**Children's Bureau of New Orleans**  
New Orleans, Louisiana  
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**Auditors' Responsibility, Continued**

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider 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.

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Board of Directors of  
**Children's Bureau of New Orleans**  
New Orleans, Louisiana  
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**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **CBNO** as of June 30, 2021, and the changes in its net assets and its cash flows for the year 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 accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the financial statements. Also, the accompanying Schedule of Compensation, Benefits and Other Payments to the Chief Executive Officer/Principal is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Board of Directors of  
**Children's Bureau of New Orleans**  
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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2021, on our consideration of CBNO'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 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 CBNO's internal control over financial reporting and compliance.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

December 14, 2021

CHILDREN'S BUREAU OF NEW ORLEANS

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2021

**ASSETS**

Cash and cash equivalents	\$ 971,638
Accounts receivable	76,649
Promise to give	70,000
Prepaid expenses and deposits	<u>23,950</u>
Total assets	<u>\$ 1,142,237</u>

**LIABILITIES AND NET ASSETS**

Liabilities

Accounts payable and accrued expenses	\$ 20,702
Other liabilities	28,143
Loan payable (NOTE 12)	<u>404,875</u>
Total liabilities	<u>453,720</u>

Net assets:

Without donor restrictions:	463,360
With donor restrictions (NOTE 11)	<u>225,157</u>
Total net assets	<u>688,517</u>
Total liabilities and net assets	<u>\$ 1,142,237</u>

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

**CHILDREN'S BUREAU OF NEW ORLEANS**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021

<b>SUPPORT AND REVENUES:</b>	Without Donor Restrictions	With Donor Restrictions	Total
Contributions and private grants	\$ -	\$ 371,745	\$ 371,745
Fees and grants from governmental agencies	1,044,944	-	1,044,944
Program service fees	422,515	-	422,515
United Way Contributions:			
Allocation	70,000	-	70,000
Designations	4,157	-	4,157
Other	29,066	-	29,066
SBA Disaster Loan Program			
Forgiveness (NOTE 14)	510,526	-	510,526
Net assets released from restrictions (NOTE 11)	294,320	(294,320)	-
	<u>2,375,528</u>	<u>77,425</u>	<u>2,452,953</u>
<b>EXPENSES:</b>			
Program Services:			
Clinical Services	1,073,886	-	1,073,886
Crisis Intervention	379,840	-	379,840
Early Childhood Mental Health Consultation	202,517	-	202,517
	<u>1,656,243</u>	<u>-</u>	<u>1,656,243</u>
Supporting Services:			
Management and General	293,576	-	293,576
	<u>1,949,819</u>	<u>-</u>	<u>1,949,819</u>
Change in net assets	425,709	77,425	503,134
Net assets, beginning of year	37,651	147,732	185,383
Net assets, end of year	<u>\$ 463,360</u>	<u>\$ 225,157</u>	<u>\$ 688,517</u>

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



**CHILDREN'S BUREAU OF NEW ORLEANS**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Program Services - Child and Family Counseling			Supporting Services		Total Program and Supporting Services Expense	
	Clinical Services	Crisis Intervention	Early Childhood Mental Health Consultation	Total Program Services	Management and General		Total Supporting Services
<b>Employee Compensation:</b>							
Salaries	\$ 815,471	\$ 283,586	\$ 156,819	\$ 1,255,876	\$ 68,320	\$ 68,320	\$ 1,324,196
Employees' retirement, benefits and medical insurance	50,273	22,143	10,889	83,305	5,002	5,002	88,307
Payroll taxes, worker's comp and unemployment	76,830	26,137	17,470	120,437	11,083	11,083	131,520
<b>Total employee compensation</b>	<b>942,574</b>	<b>331,866</b>	<b>185,178</b>	<b>1,459,618</b>	<b>84,405</b>	<b>84,405</b>	<b>1,544,023</b>
<b>Other Expenses:</b>							
Bank fees and interest	-	-	-	-	3,586	3,586	3,586
Building and equipment management	708	251	155	1,114	7,021	7,021	8,135
Computer services and supplies	27,105	757	466	28,328	14,217	14,217	42,545
Insurance	7,777	2,759	1,699	12,235	12,046	12,046	24,281
Dues and subscriptions	-	-	-	-	1,828	1,828	1,828
Miscellaneous	4,527	1,783	867	7,177	3,912	3,912	11,089
Occupancy	36,026	25,462	6,037	67,525	62,822	62,822	130,347
Postage	-	362	23	385	291	291	676
Professional fees	35,093	3,315	2,042	40,450	86,272	86,272	126,722
Supplies	8,719	5,794	315	14,828	3,187	3,187	18,015
Telephone	5,856	5,911	2,087	13,854	13,434	13,434	27,288
Training	2,525	604	498	3,627	501	501	4,128
Travel	2,976	976	3,150	7,102	54	54	7,156
<b>Total Other Expenses</b>	<b>131,312</b>	<b>47,974</b>	<b>17,339</b>	<b>196,625</b>	<b>209,171</b>	<b>209,171</b>	<b>405,796</b>
<b>Total Expenses</b>	<b>\$ 1,073,886</b>	<b>\$ 379,840</b>	<b>\$ 202,517</b>	<b>\$ 1,656,243</b>	<b>\$ 293,576</b>	<b>\$ 293,576</b>	<b>\$ 1,949,819</b>

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

**CHILDREN'S BUREAU OF NEW ORLEANS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets	\$ 503,134
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Forgiveness of SBA disaster loans	(510,526)
Changes in assets and liabilities:	
Decrease in accounts receivable	202,334
Increase in prepaid expenses and deposits	(4,507)
Decrease in other liabilities	(10,421)
Decrease in accounts payable and accrued expenses	<u>(28,810)</u>
Net cash provided by operating activities	<u>151,204</u>

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Payment on line-of-credit	(89,000)
Payments of advances to related party	(12,000)
Proceeds from loan payable	<u>404,875</u>
Net cash provided by financing activities	<u>303,875</u>
Net increase in cash and cash equivalents	455,079
Cash and cash equivalents, beginning of year	<u>516,559</u>
Cash and cash equivalents, end of year	<u><u>\$ 971,638</u></u>

**SUPPLEMENTAL SCHEDULE OF CASH FLOW  
INFORMATION:**

Cash paid during the year for:	
Interest	<u><u>\$ 3,412</u></u>

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

**CHILDREN'S BUREAU OF NEW ORLEANS**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

Description of Organization

The **Children's Bureau of New Orleans (CBNO)** is a private non-profit agency that offers a variety of counseling services to children and families in the New Orleans Metropolitan Area.

**CBNO** is exempt from taxation under section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements.

**CBNO** files as a tax-exempt organization. Should that status be challenged in the future, **CBNO's** 2021, 2020, 2019 and 2018 tax periods are open for examination by the IRS.

Description of Programs and Supporting Services

*Clinical Services*

Individual, family and group therapy are offered for children from birth to 17 years of age and their families. Areas of concern include but are not limited to anger management, school behavior problems, parent-child relational difficulties, and the effects of abuse, domestic violence, or other traumatic events.

*Crisis Intervention*

**CBNO's** Crisis Intervention is designed to meet the special needs of children and families impacted by grief and trauma, including the loss of a loved one by natural causes, accident or violent death; exposure to natural disaster; and being a witness or victim of violent abuse. Crisis Intervention offers individual, family and group interventions that are valid and proven to be effective. Our social workers are trained in our own evidence based 10-week Grief and Trauma Intervention (GTI). GTI was designed after many years of working with New Orleans area children and youth, and has been repeatedly shown to be effective in reducing traumatic stress and depressive symptoms in children who have completed the intervention.

**CHILDREN'S BUREAU OF NEW ORLEANS**  
**NOTES TO THE FINANCIAL STATEMENTS**

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,  
CONTINUED:

**Crisis Intervention, Continued**

Children ages birth to 17 are eligible. Crisis Intervention services are community based and take place in home, schools and other community locations.

**Early Childhood Mental Health Consultation**

Early Childhood Mental Health Consultation is an intervention that teams a mental health professional with early childhood professionals to improve the social, emotional and behavioral health of young children in early learning settings. The program known as TIKES serves to increase the quality of child care and early learning initiatives for all children across the state and provide child care staff and parents with the tools to understand and command higher quality child care for children.

Centers participating in TIKES are eligible to receive mental health consultations. **CBNO**, through a grant from Tulane University, employs full-time licensed mental health professional, trained in infant and early childhood issues (0-5 years old), who work closely with teachers on-site and serve as a resource for child care providers and parents as they foster and enhance the children's early development through education, training, identification and intervention.

**Management and General**

Management and General includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment, provide coordination and articulation of **CBNO's** program strategy through the Office of the Executive Director; secure proper administrative functioning of the Board of Directors; maintain competent professional services for the program administration of **CBNO**; and manage the financial and budgetary responsibilities of **CBNO**.

**CHILDREN'S BUREAU OF NEW ORLEANS**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Basis of Accounting

CBNO's financial statements are prepared on the accrual basis and in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

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

Property and Equipment

Property and equipment of CBNO are recorded as assets (capitalized) and are stated at historical costs if purchased or at fair market value at the date of the gift, if donated. CBNO follows the policy of capitalizing all individual fixed assets purchased or donated greater than \$1,000. Additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized. Depreciation is provided utilizing the straight-line method over the estimated useful life of the asset, generally between 5 to 10 years for property and equipment.

Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific use.

Grant Revenue

Revenues from governmental grants are recognized when allowable expenditures are made by CBNO. Funds received for specific purposes but not yet expended are recorded as deferred revenue.

**CHILDREN'S BUREAU OF NEW ORLEANS**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Statement of Cash Flows

For the purpose of the statement of cash flows, cash equivalents include all highly liquid instruments purchased with original maturities of three (3) months or less.

Income Taxes

**CBNO** is exempt from federal income taxes through Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements. **CBNO** files as a tax-exempt organization.

Basis of Reporting

Prior to the 2021 fiscal year, **CBNO** has implemented the guidance under Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, which amends the previous standard for external financial reporting by not-for-profit organizations. Under ASU 2016-14, **CBNO** classifies resources for financial accounting and reporting purposes into two net asset categories: without donor restrictions and with donor restrictions. A description of the two net asset categories is as follows:

- Net assets without donor restrictions include funds not subject to donor-imposed stipulations. Grants and contributions without donor restrictions, other income and expenses incurred in conducting the mission of **CBNO** are included in this category.
- Net assets with donor restrictions include grants and contributions for which donor-imposed time and/or purpose restrictions have not been met.

**CHILDREN'S BUREAU OF NEW ORLEANS**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Revenue and Support

Grants and contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions.

Grants and contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted grants and contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Other Funding

Other revenues received consist of federal and state grants, and other revenue sources.

NOTE 2 - FUNCTIONAL ALLOCATION EXPENSES:

The cost of providing the various programs and other activities has been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among program and support services in the accompanying Statement of Activities. Salaries, employee benefits, payroll taxes, utilities and insurance are allocated on the basis of estimates of time and effort.

**CHILDREN'S BUREAU OF NEW ORLEANS**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 3 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise of the following at June 30, 2021:

Cash and cash equivalents	\$ 971,638
Accounts receivable	76,649
Promise to give	<u>70,000</u>
	1,118,287
Less amount not available to be used within one year:	
Net assets with donor restrictions	<u>(225,157)</u>
Financial assets available for general expenditures within one year	\$ <u>893,130</u>

NOTE 4 - RETIREMENT SYSTEM:

**CBNO** has a simple IRA plan covering all employees over 21 years old having earned at least \$5,000.00 in one of two previous years. Individuals can only enroll during open enrollment. Contributions to the plan are at the discretion of the Board of Directors. For the year ended June 30, 2021, **CBNO** contributions to the plan totaled \$18,817.

NOTE 5 - CONCENTRATION OF CREDIT RISK:

**CBNO** maintains non-interest-bearing accounts at local banks. The Federal Deposit Insurance Corporation (FDIC) provides insurance coverage on deposit accounts for deposit amounts up to \$250,000. The FDIC insurance coverage limit applies per depositor, per insured depository institution for each account ownership category. Total uninsured cash balance at June 30, 2021 was \$545,220.



**CHILDREN'S BUREAU OF NEW ORLEANS**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 6 - RISK MANAGEMENT:**

**CBNO** is exposed to various risks of loss related to torts, theft of, damage to and destruction of property for which **CBNO** carries commercial liability insurance coverage.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

**NOTE 7 - CONCENTRATION OF REVENUE SOURCE:**

Grant revenue accounts for 71% of **CBNO's** total support for the year ended June 30, 2021. State and federal grants are on a cost-reimbursement basis and account for 18% of **CBNO's** total support for the year ended June 30, 2021. If the amount of revenue received should fall below budgeted award levels, **CBNO's** operating results could be adversely affected.

**NOTE 8 - FACILITY LEASE:**

**CBNO** conducted its operations from a facility that was leased through HMIA Holdings, Inc. under a non-cancellable operating lease, which expired June 30, 2021. For the year ended June 30, 2021, facility lease expense amounted to \$130,347.

**CBNO** began a new lease agreement with Children's Hospital, with the initial term of the lease beginning on July 1, 2021 and expiring on June 30, 2024. Minimum future rental payments under this lease for each of the next (3) three fiscal years and in the aggregate are:

<u>Year ending June 30,</u>	<u>Amount</u>
2022	\$ 22,255
2023	22,700
2024	<u>23,145</u>
	<u>\$ 68,100</u>

**CHILDREN'S BUREAU OF NEW ORLEANS**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 9 - CONTINGENCY:**

**CBNO** is a recipient of grants from the state and federal funding agencies. The grants are governed by various state and federal guidelines, regulations, and contractual agreements.

The administration of the programs and activities funded by these grants are under the control and administration of **CBNO** and are subject to audit and/or review by grantors. Any grant found to be not properly spent in accordance with the terms, conditions, and regulations of the state and federal agencies may be subject to recapture.

**NOTE 10 - BOARD OF DIRECTORS' COMPENSATION:**

The Board of Directors of **CBNO** is a voluntary board; therefore, no compensation was paid to any board member during the year ended June 30, 2021.

**NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS:**

At June 30, 2021, net assets with donor restrictions in the amount of \$225,157 are available for the following purpose or time restriction:

Clinical Service Program (purpose restricted)	\$155,157
United Way Funding (time restricted)	<u>70,000</u>
	<u>\$225,157</u>

Net assets with donor restrictions in the amount of \$294,320 were released from restrictions by incurring expenses satisfying the Clinical Service Program restrictions specified by donors at June 30, 2021.

**CHILDREN'S BUREAU OF NEW ORLEANS**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 12 - NOTE PAYABLE:**

**CBNO** obtained a U.S. Small Business Administration (SBA) loan under the Paycheck Protection Program from a financial institution in the amount of \$404,875. The note is dated April 26, 2021, with 1% interest, and will mature in two (2) years from the date of the note on April 26, 2023.

The Paycheck Protection Program provides a direct incentive for small businesses to keep their workers on the payroll during the Coronavirus (COVID-19) crisis.

**CBNO's** payments on the note are deferred for a period of six (6) months from the date of the note; however, interest will begin to accrue from the date of the note and continue until the note is paid in full at the maturity date.

The payment begins after the deferment period (seven (7) months from the month the note was dated).

The note is subject to an expected forgivable portion. The amount of the loan forgiveness shall not exceed the principal amount of the loan and is subject to SBA Rules and Regulations consistent with the Paycheck Protection Program Rules.

**NOTE 13 - RELATED PARTY TRANSACTIONS:**

In 2019, **CBNO** was provided cash advance by a former officer. These cash advances were for short-term cash needs. Advances are paid back when funds are available. During the 2021 fiscal year, \$12,000 was repaid. As of June 30, 2021, there was an outstanding balance of \$2,000. These advances are included in "Other Liabilities" on the Statement of Financial Position.

**CBNO** currently has loans, and deposit and checking accounts with a local bank where a member of **CBNO's** Board of Director is employed. These loans, and the deposit and checking accounts were in existence prior to the Board member's employment at the local bank. To avoid conflict of interest issues between **CBNO** and the local bank, **CBNO's** policy is to not have this Board Member participate in any financial discussions and/or decisions involving the local bank.

**CHILDREN'S BUREAU OF NEW ORLEANS**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 14 - SBA DISASTER LOAN FORGIVENESS:**

During the 2020 fiscal year, **CBNO** applied for and was approved for a \$500,526 loan under the Paycheck Protection Program (PPP) administered by the Small Business Administration as part of the relief efforts to COVID-19. In the 2021 fiscal year, **CBNO** was granted a full forgiveness of the loan on April 20, 2021. **CBNO** recognized \$500,526 of the loan forgiveness as an unconditional contribution, which is recorded in the statement of activities for the year ended June 30, 2021, having met the conditions for forgiveness by incurring eligible expenditures.

Also, **CBNO** was granted forgiveness of an Economic Injury Disaster Loan from the Small Business Administration in the amount of \$10,000.

**NOTE 15 - NEW PRONOUNCEMENTS:**

The FASB issued Accounting Standards Update No. 2016-02 affecting ASC 842, *Leases*, which provides guidance for any entity that enters into a lease (as defined in this Update), with some specified scope exemptions. The guidance in this Update supersedes ASC 840 *Leases*. The primary objective of this Update is to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities in the statement of financial position and disclosing key information about leasing arrangements. The amendments in this Update are effective for fiscal years beginning after December 15, 2022 and interim periods within fiscal years beginning after December 15, 2023.

**CBNO** is currently assessing the impact of this new pronouncement on its financial statements.

**NOTE 16 - LINE OF CREDIT**

On April 5, 2021, **CBNO** renewed an existing line of credit loan in the amount of \$120,000 from a local bank to help finance its short-term operating needs. The interest rate on this line of credit loan is fixed at 7.50%. The line of credit loan is secured by a blanket lien on all accounts receivable, inventory and equipment. The maturity date of the line of credit loan is October 5, 2021. At June 30, 2021, **CBNO** has not drawn any amounts against the line of credit loan.

**CHILDREN'S BUREAU OF NEW ORLEANS**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 17: SUBSEQUENT EVENTS:**

**CBNO** is required to evaluate events or transactions that may occur after the statement of financial position date for potential recognition or disclosure in the financial statements. **CBNO** performed such an evaluation through December 14, 2021, the date which the financial statements were available to be issued.

**CBNO's** operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 (COVID 19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in an adverse impact on **CBNO's** subsequent financial statements. Possible effects may include, but not limited to, disruption of **CBNO's** operations and related revenue, unavailability of products and supplies used in operations and possible decline in assets held by **CBNO**.

**SUPPLEMENTARY INFORMATION**

CHILDREN'S BUREAU OF NEW ORLEANS  
 SCHEDULE OF FEDERAL EXPENDITURES  
 FOR THE YEAR ENDED JUNE 30, 2021

SCHEDULE I

<u>Federal Grantor/Program Name</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity's Identifying Number</u>	<u>Federal Expenditures</u>
<b><u>U.S. Department of Justice</u></b>			
<i><u>Awards from a Pass-Through Entity</u></i>			
<u>Passed-Through: Louisiana Commission of Law Enforcement</u>			
<u>Crime Victim Assistance</u>	16.575	18-24 5467	\$ 124,700
	16.575	Orleans Juv Court 18-24 5469	91,130
	16.575	Orleans 18-24 5465	186,820
	16.575	Jefferson 18-24 4974	122,745
	16.575	NOCAC 18-24 5468	46,286
			<hr/>
<b>Total U.S. Department of Justice</b>			<b>571,681</b>
			<hr/>
<b><u>U.S. Department of Health and Human Services</u></b>			
<i><u>Awards from a Pass-Through-Entity</u></i>			
<u>Passed-Through: LA Dept of Health and Hospitals Office of Public Health</u>			
<u>Maternal and Child Health Services Block</u>			
<u>Grant to the States</u>	93.994		83,821
 Administrators of Tulane Educational Fund-Dept of Psychiatry and Behavioral Sciences Childcare and Development Fund Cluster			
Child Care and Development Block Grant	93.596		136,608
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.575		136,608
			<hr/>
			273,216
			<hr/>
<b>Total Department of Health and Hospitals</b>			<b>357,037</b>
			<hr/>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 928,718</b>
			<hr/>

NOTE: The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of CBNO under programs of the federal government for the year ended June 30, 2021 and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts in, or used in the preparation of, the basic financial statements.

See independent auditors' report on supplementary information.

**CHILDREN'S BUREAU OF NEW ORLEANS**  
**SCHEDULE OF COMPENSATION, BENEFITS AND**  
**OTHER PAYMENTS TO THE CHIEF EXECUTIVE OFFICER**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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**Chief Executive Officer Name: Charlotte C. Cunliffe**

<u>Purpose</u>	<u>Amount</u>
Salary	\$110,000
Benefits –FICA	6,850
Benefits – Medicare	1,595
Benefits - Retirement	1,650
Car allowance	-0-
Vehicle provided by government	-0-
Per diem	-0-
Reimbursements	-0-
Travel	-0-
Registration fees	-0-
Conference travel	-0-
Continuing professional education fees	-0-
License fees	-0-
Unvouchered expenses	-0-
Special meals	-0-

See independent auditors' report on supplementary information.





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

To the Board of Directors of  
**Children's Bureau of New Orleans**

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 Bureau of New Orleans. (CBNO)** (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, 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 December 14, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered **CBNO'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 **CBNO's** internal control. Accordingly, we do not express an opinion on the effectiveness of **CBNO's** internal control.

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

**Internal Control over Financial Reporting, Continued**

*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.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether CBNO'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*.

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

**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 CBNO's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CBNO's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the use of the Board of Directors, its management, grantor agencies and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

December 14, 2021



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INDEPENDENT AUDITORS' REPORT  
ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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To the Board of Directors of  
**Children's Bureau of New Orleans**

**Report on Compliance for Each Major Federal Program**

We have audited **Children's Bureau of New Orleans' (CBNO)** compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on **CBNO's** major federal program for the year ended June 30, 2021. **CBNO's** major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

INDEPENDENT AUDITORS' REPORT  
ON COMPLIANCE WITH REQUIREMENTS FOR EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE  
UNIFORM GUIDANCE, CONTINUED

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**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for **CBNO's** major federal program 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 **CBNO'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 the major federal program. However, our audit does not provide a legal determination of **CBNO's** compliance.

**Opinion on the Major Federal Program**

In our opinion, **CBNO** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2021.

INDEPENDENT AUDITORS' REPORT  
ON COMPLIANCE WITH REQUIREMENTS FOR EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE  
UNIFORM GUIDANCE, CONTINUED

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**Report on Internal Control Over Compliance**

Management of **CBNO** 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 **CBNO's** internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 **CBNO'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 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.

INDEPENDENT AUDITORS' REPORT  
ON COMPLIANCE WITH REQUIREMENTS FOR EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE  
UNIFORM GUIDANCE, CONTINUED

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**Purpose of this Report**

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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

December 14, 2021

**CHILDREN'S BUREAU OF NEW ORLEANS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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We have audited the financial statements of the **Children's Bureau of New Orleans** as of and for the year ended June 30, 2021, and have issued our report thereon dated December 14, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2021, resulted in an unmodified opinion.

**SECTION I - Summary of Auditors' Results**

- A. Significant deficiencies in internal control were disclosed by the audit of the financial statements: **None Reported**; material weaknesses: **No**.
- B. Noncompliance which is material to the financial statements: **No**.
- C. Significant deficiencies in internal control over major programs: **None Reported**  
Material weaknesses: **No**.
- D. The type of report issued on compliance for major programs: **Unmodified**.
- E. Any audit findings which are required to be reported under section 200.516 of OMB Uniform Guidance: **No**.
- F. Major program:  
Crime Victim Assistance, CFDA Number – 16.575
- G. Dollar threshold used to distinguish between Type A and Type B programs:  
**\$750,000**.
- H. Auditee qualified as a low-risk auditee under section 200.520 of OMB Uniform Guidance: **No**.
- I. A management letter was issued: **No**.



**CHILDREN'S BUREAU OF NEW ORLEANS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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**SECTION II - Findings Related to the Financial Statements Required  
In Accordance with Government Auditing Standards**

No matters were reported.

**SECTION III - Federal Award Findings and Questioned Cost**

No matters were reported.

**CHILDREN'S BUREAU OF NEW ORLEANS**  
**SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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**Section I - Internal Control and Compliance Material to the Financial Statements**

No matters reported.

**Section II - Internal Control and Compliance Material to Federal Awards**

No matters reported.

**Section III - Management Letter**

No comments reported.