

**LOUISIANA CENTER FOR CHILDREN'S RIGHTS  
(A NONPROFIT ORGANIZATION)**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED**

**JUNE 30, 2021 AND 2020**

LOUISIANA CENTER FOR CHILDREN'S RIGHTS

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**BERNARD & FRANKS**  
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

JOSEPH V. FRANKS II, C.P.A.

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JAMES L. WHITE, C.P.A.

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Louisiana Center for Children's Rights  
New Orleans, Louisiana

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

We have audited the accompanying financial statements of Louisiana Center for Children's Rights, which comprise the statement of financial position as of June 30, 2021 and 2020, and the related statements of activities, statements of functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant Louisiana Center for Children's Rights 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 Louisiana Center for Children's Rights internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Center for Children's Rights as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer on page 20 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 as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Governmental Auditing Standards*, we have also issued our report dated October 13, 2021, on our consideration of the Organization'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 to describe the scope of that testing, and not to provide an opinion on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Louisiana Center for Children's Rights internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

*Bernard & Franks*

Metairie, Louisiana  
October 13, 2021

**LOUISIANA CENTER FOR CHILDREN'S RIGHTS**

**STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2021 AND 2020**

	2021	2020
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,054,736	\$ 1,842,594
Accounts receivable	350,393	175,707
Unconditional promises to give, current portion	235,238	180,000
Prepaid expenses	53,008	51,289
Total current assets	\$ 2,693,375	\$ 2,249,590
<b>PROPERTY AND EQUIPMENT</b>	\$ 105,567	\$ 105,567
Less, accumulated depreciation	(102,584)	(101,098)
	\$ 2,983	\$ 4,469
<b>OTHER ASSETS</b>		
Long-term portion of unconditional promises to give	\$ -	\$ 85,941
Total other assets	\$ -	\$ 85,941
Total assets	\$ 2,696,358	\$ 2,340,000
<b>CURRENT LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ -	\$ 4,500
Payroll liabilities	2,640	-
Credit cards	210	1,824
Paycheck payment program refundable advance	-	134,834
Deferred EIDL advance	-	10,000
Total current liabilities	\$ 2,850	\$ 151,158
<b>NET ASSETS</b>		
Without donor restrictions		
Undesignated	\$ 612,909	\$ 792,173
Board designated	15,000	15,000
With donor restrictions	2,065,599	1,381,669
Total net assets	\$ 2,693,508	\$ 2,188,842
Total current liabilities and net assets	\$ 2,696,358	\$ 2,340,000

See notes to the financial statements.

**LOUISIANA CENTER FOR CHILDREN'S RIGHTS**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Grants	\$ 658,732	\$ 1,419,930	\$ 2,078,662
Paycheck payment program grant	134,834	-	134,834
Contracts	654,840	751,566	1,406,406
Contributions and fundraising	19,313	-	19,313
In kind contribution rent	67,500	-	67,500
Interest income	2,587	-	2,587
Miscellaneous income	10,084	-	10,084
Net assets released from restrictions:			
Satisfaction of program restrictions	1,487,566	(1,487,566)	-
Total revenues, gains and support	\$ 3,035,456	\$ 683,930	\$ 3,719,386
<b>EXPENSES</b>			
Program services	\$ 2,963,406	\$ -	\$ 2,963,406
Supporting services			
General and administrative	82,736	-	82,736
Fund raising	168,578	-	168,578
Total expenses	\$ 3,214,720	\$ -	\$ 3,214,720
Increase (decrease) in net assets	\$ (179,264)	\$ 683,930	\$ 504,666
<b>NET ASSETS BEGINNING OF THE YEAR</b>	807,173	1,381,669	2,188,842
<b>NET ASSETS END OF THE YEAR</b>	\$ 627,909	\$ 2,065,599	\$ 2,693,508

See notes to the financial statements.

**LOUISIANA CENTER FOR CHILDREN'S RIGHTS**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Grants	\$ 502,775	\$ 589,297	\$ 1,092,072
Paycheck payment program grant	361,766	-	361,766
Contracts	746,752	761,737	1,508,489
Contributions and fundraising	235,529	30,635	266,164
In kind contribution rent	67,500	-	67,500
Interest income	8,235	-	8,235
Miscellaneous	1,435	-	1,435
Net assets released from restrictions:			
Satisfaction of program restrictions	1,766,779	(1,766,779)	-
Total revenues, gains and support	\$ 3,690,771	\$ (385,110)	\$ 3,305,661
<b>EXPENSES</b>			
Program services	\$ 2,924,956	\$ -	\$ 2,924,956
Supporting services			
General and administrative	79,699	-	79,699
Fund raising	160,249	-	160,249
Total expenses	\$ 3,164,904	\$ -	\$ 3,164,904
Increase in net assets	\$ 525,867	\$ (385,110)	\$ 140,757
NET ASSETS BEGINNING OF THE YEAR	281,306	1,766,779	2,048,085
NET ASSETS END OF THE YEAR	\$ 807,173	\$ 1,381,669	\$ 2,188,842

See notes to the financial statements.

**LOUISIANA CENTER FOR CHILDREN'S RIGHTS**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2021**

	Program Service	Supporting Services		Total
		General and Administrative	Fund Raising	
Compensation and related expenses				
Compensation	\$ 2,123,726	\$ 63,367	\$ 115,167	\$ 2,302,260
Employee benefits and taxes	479,262	13,487	26,509	519,258
Total	<u>\$ 2,602,988</u>	<u>\$ 76,854</u>	<u>\$ 141,676</u>	<u>\$ 2,821,518</u>
Client records and welfare	\$ 13,873	\$ -	\$ -	\$ 13,873
Computers and maintenance	32,171	952	1,751	34,874
Consultants and contractors	86,610	-	-	86,610
Copier and maintenance	1,828	54	99	1,981
Depreciation	1,370	41	75	1,486
Grants to others	29,250	-	-	29,250
Insurance	15,989	473	870	17,332
Law library	3,895	-	-	3,895
Legal research	13,697	405	745	14,847
Marketing	-	-	16,090	16,090
Meetings for board and staff	672	20	37	729
Office expense	15,660	466	852	16,978
Policy	28,113	-	-	28,113
Professional and association dues	7,240	214	394	7,848
Rent and utilities	75,230	2,226	4,094	81,550
Training	15,972	473	869	17,314
Travel and transportation	14,697	435	800	15,932
Volunteer and intern expense	4,151	123	226	4,500
Total expense	<u>\$ 2,963,406</u>	<u>\$ 82,736</u>	<u>\$ 168,578</u>	<u>\$ 3,214,720</u>

See notes to the financial statements.



**LOUISIANA CENTER FOR CHILDREN'S RIGHTS**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2020**

	Program Services	Supporting Services		Total
		General and Administrative	Fundraising	
Compensation and related expenses				
Compensation	\$ 1,968,519	\$ 59,740	\$ 111,598	\$ 2,139,857
Employee benefits and taxes	470,314	12,121	24,801	507,236
Total	<u>\$ 2,438,833</u>	<u>\$ 71,861</u>	<u>\$ 136,399</u>	<u>\$ 2,647,093</u>
Client records and welfare	\$ 18,652	\$ -	\$ -	\$ 18,652
Computers and maintenance	35,041	1,043	1,979	38,063
Consultants and contractors	183,328	444	842	184,614
Copier and maintenance	2,255	67	127	2,449
Depreciation	5,886	175	332	6,393
Development and marketing	-	-	8,976	8,976
Grants to others	2,055	-	-	2,055
Insurance	14,858	442	839	16,139
Law library	5,911	-	-	5,911
Legal research	5,912	176	334	6,422
Meetings for board and staff	1,407	42	80	1,529
Office expense	22,441	668	1,268	24,377
Lobbying	27,761	-	-	27,761
Professional and association dues	6,047	180	342	6,569
Rent and utilities	80,829	2,406	4,566	87,801
Training	18,638	555	1,053	20,246
Travel and transportation	50,959	1,517	2,878	55,354
Volunteer and intern expense	4,143	123	234	4,500
Total expense	<u>\$ 2,924,956</u>	<u>\$ 79,699</u>	<u>\$ 160,249</u>	<u>\$ 3,164,904</u>

See notes to the financial statements.

**LOUISIANA CENTER FOR CHILDREN'S RIGHTS**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ 504,666	\$ 140,757
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,486	6,394
Increase (decrease) in operating assets:		
Accounts receivable	(174,686)	6,762
Unconditional promises to give	30,703	500,087
Prepaid expenses	(1,719)	(9,442)
Increase (decrease) in operating liabilities:		
Payroll liabilities	(1,860)	(1,500)
Credit cards	(1,614)	(7,277)
Paycheck payment program refundable advance	(134,834)	134,834
Deferred EIDL advance	(10,000)	10,000
Net cash provided by (used by) operating activities	\$ 212,142	\$ 780,615
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for property and equipment	\$ -	\$ (2,506)
Net cash provided by (used by) investing activities	\$ -	\$ (2,506)
 Net increase in cash and cash equivalents	 \$ 212,142	 \$ 778,109
 Beginning cash and cash equivalents	 \$ 1,842,594	 \$ 1,064,485
 Ending cash and cash equivalents	 \$ 2,054,736	 \$ 1,842,594

See notes to the financial statements.

# LOUISIANA CENTER FOR CHILDREN'S RIGHTS

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Nature of the Organization

Louisiana Center for Children's Rights is a nonprofit law office that supports the juvenile defense system of Louisiana. The Organization's mission and vision are as follows:

#### **Mission**

Using direct representation and advocacy, we fight to keep children out of the justice system so that they can thrive in their homes and communities.

#### **Vision**

We envision a Louisiana where every child, no matter their race or class, is free to be a kid and supported in becoming a healthy adult.

#### Financial Statement Presentation

The Organization follows the financial statement presentation recommended by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) topic 958, Not-for-Profit Entities. The Bureau reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors. The revenues received in conducting the mission of the Organization's are included in the category.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

#### Basis of Accounting

The consolidated financial statements have been prepared on the accrual basis of accounting. Accordingly, revenue is recognized when earned and expenses are recorded when incurred.

# LOUISIANA CENTER FOR CHILDREN'S RIGHTS

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Use of Estimates

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

#### Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

#### Accounts Receivable

Accounts receivable which consists of contracts for the provision of services are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The Organization considers accounts receivable to be fully collectible.

#### Unconditional Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Contributions receivable that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on these amounts are computed using a risk-free interest rate of 5% applicable to the year in which the contribution is made. Amortization of the discount is included in contribution revenue.

#### Property and Equipment

All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the useful life of the assets as follows:

Furniture and Equipment	5 years
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#### Contracts

Contracts for service revenue are recognized as earned as the services are provided in accordance with the approved contracts.

# LOUISIANA CENTER FOR CHILDREN'S RIGHTS

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Revenue Recognition

The Organization reports public support contributions as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, 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. Support and revenue that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized.

The Organization reports gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Funds with donor restrictions are used to differentiate the resources whose use is restricted by donors or grantors from the resources on which donors or grantors have placed no restriction or the resources that arise as a result of the operations of the Organization for a stated purpose.

#### Concentrations

The Organization's primary source of revenue is derived from grants and contracts. For the years ended June 30, 2021 and 2020, \$2,078,662 and \$1,092,072 or 56% and 33% of the Organization's total gross revenue was from grants, \$1,406,406 and \$1,508,489 or 38% and 46% from contract revenue, \$134,834 and \$361,766, 4% and 11% was from Paycheck Protection Plan, \$19,313 and \$266,164 or 1% and 8% was from contributions and fundraising, and finally \$67,500 or 2% was from in kind contribution rent.

#### Expense Allocation

The costs of providing program services and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on use rates estimated by management.

LOUISIANA CENTER FOR CHILDREN'S RIGHTS

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Income Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Organization's Form 990, *Return of Organization Exempt from Income Tax*, for the years ending June 30, 2018 - 2021 are subject to examination by the IRS, generally for three years after they were filed.

Refundable Advance

During 2020, the Organization received a restricted grant totaling \$496,600 that contained donor conditions. Since this grant is a promise, conditioned on future uncertain events, it is not recorded as contribution revenue until donor conditions are met. Funds received from the donor in advance of the conditions being met totaled \$134,834; are recorded as a refundable advance; and will subsequently be recognized as contribution revenue when donor conditions are met.

Pending Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires that lessees to recognize right-of-use assets and lease liabilities for all leases with terms longer than 12 months. The adoption of this standard is expected to result in the Organization's recognizing right-of-use assets and lease liabilities for some leases currently accounted for as operating leases under the legacy lease accounting guidance. Management is evaluating the impact of this standard on the Organization's financial statements. Organizations may apply the guidance of Update No. 2016-02 to annual reporting periods beginning after December 15, 2021.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU amends the existing accounting standards for revenue recognition, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. Organization may apply the guidance to annual reporting periods after December 15, 2021.

**NOTE 2. CASH AND CASH EQUIVALENTS**

The Organization maintains two bank accounts at one bank in New Orleans, Louisiana. Accounts at the institution are insured by the Federal Deposit Insurance Corporation (FDIC) for amounts up to \$250,000 for interest bearing accounts. Cash at these institutions exceeded FDIC limits by \$1,804,736 and \$1,592,594 at June 30, 2021 and 2020, respectively.

**LOUISIANA CENTER FOR CHILDREN'S RIGHTS**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**NOTE 3. PROPERTY AND EQUIPMENT**

Property and equipment for the years ended June 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Equipment	\$ 59,593	\$ 59,593
Furniture	45,974	45,974
	<u>\$ 105,567</u>	<u>\$ 105,567</u>
Less accumulated depreciation	(102,584)	(101,098)
Total	<u>\$ 2,983</u>	<u>\$ 4,469</u>

Depreciation expense for the years ended June 30, 2021 and 2020 was \$1,486 and \$6,394, respectively.

**NOTE 4. UNCONDITIONAL PROMISES TO GIVE**

The Organization had the following unconditional promises to give for the years ended June 30, 2021 and 2020. The long-term portion of the assets were discounted using a 5% rate.

	<u>2021</u>	<u>2020</u>
Baptist Community Ministries	\$ 100,000	\$ 200,000
Campbell Foundation	20,000	-
JP Morgan Grant Foundation	-	35,000
United Way	40,000	35,000
Foundation for Louisiana	-	10,000
Methodist Health System Foundation	80,000	-
Total unconditional promises to give	<u>\$ 240,000</u>	<u>\$ 280,000</u>
Unamortized discount	(4,762)	(14,059)
Unconditional promises to give, net	<u>\$ 235,238</u>	<u>\$ 265,941</u>
Current portion	\$ 240,000	\$ 180,000
Long-term	-	85,941
Total	<u>\$ 240,000</u>	<u>\$ 265,941</u>

Future maturities of unconditional promises to give are as follows:

2022	\$ 240,000
Discount	<u>(4,762)</u>
	<u>\$ 235,238</u>

**LOUISIANA CENTER FOR CHILDREN'S RIGHTS**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**NOTE 5. PAYCHECK PROTECTION PROGRAM REFUNDABLE ADVANCE**

The Organization received loan proceeds in the amount \$134,834 under the Paycheck Protection Program ("PPP") for the year ended June 30, 2020. The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four week period.

During 2020, The Organization completed an application to the Small Business Administration (SBA) for complete forgiveness of both the initial PPP loan of \$496,600, as well as any accrued interest. As anticipated, the SBA forgave the initial loan amount and all accrued interest prior to year-end and is presented as gain from PPP loan extinguishment.

**NOTE 6. DEFERRED EIDL ADVANCE**

The Organization received \$10,000 in the form of an Economic Injury Disaster Loan (EIDL) under a preexisting Small Business Administration loan program. The amount came as an advance and was forgiven during the fiscal year ended June 30, 2021 and was recognized as miscellaneous income.

**NOTE 7. LEASE AND DONATED FACILITIES**

On June 1, 2015, the Organization entered into a lease agreement with the City of New Orleans whereby the Organization would lease space at no cost for its administrative and program facility. The City of New Orleans owns and manages the facility. The initial term of the no cost lease will be for a three-year period that will end May 31, 2018. The City of New Orleans values the fair value of the lease (which also included services and utilities) at \$67,500 annually on a gross basis. In connection with this lease agreement, the Organization discounted the value of the three-year initial term of the lease (at 5% per year) and recorded a restricted contribution in fiscal year 2015 of \$196,031. Beginning June 1, 2018, the Organization continues to have use of the office space with services and utilities at no cost. The term is deemed to be indefinite. The Organization will continue to record an in kind rental contribution and expense at the fair market value of \$67,500.

Rental expense was \$67,500 for the years ended June 30, 2021 and 2020.

**NOTE 8. NET ASSETS WITH DONOR RESTRICTIONS**

At June 30, 2021 and 2020, the Organization had \$2,065,599 and \$1,381,669 in net assets with donor restrictions.



**LOUISIANA CENTER FOR CHILDREN'S RIGHTS**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2021 AND 2020**

**NOTE 9. LIQUIDITY**

The Organization had the following financial assets available within one year of the statement of financial position date for general expenditures for the year ended June 30, 2021:

Financial assets at year-end:	
Cash and cash equivalents	\$ 2,054,736
Accounts receivable	350,393
Unconditional promises to give	<u>235,238</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 2,640,367</u>

The Organization is substantially supported by grants, governmental contracts and contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Occasionally, the board designates a portion of any operating surplus to its liquidity reserves, which was \$15,000 as of June 30, 2021 and 2020. There is a fund established by the governing board that may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities. In the event of an unanticipated liquidity need, the Organization might use donor restricted funds to meet the financial obligations.

**NOTE 10. RECLASSIFICATION OF PRIOR YEAR AMOUNTS**

Certain prior year amounts have been reclassified for consistency with the current year presentation.

**NOTE 11. RELATED PARTY TRANSACTION**

The Board of Directors is a voluntary board; therefore, no compensation was paid to any board member during the years ended June 30, 2021 and 2020.

**NOTE 12. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through October 13, 2021, which is the date the financial statements were available to be issued. Management's evaluation revealed no subsequent events that require adjustment to or disclosure in the financial statements.

**GOVERNMENT AUDITING STANDARDS COMPLIANCE REPORT**



**BERNARD & FRANKS**  
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

JOSEPH V. FRANKS II, C.P.A.

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JAMES L. WHITE, C.P.A.

**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  
Louisiana Center for Children's Rights  
New Orleans, Louisiana

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 Louisiana Center for Children's Rights (a nonprofit Organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated October 13, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Louisiana Center for Children's Rights internal control over financial reporting 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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

*Bernard & Franks*

Metairie, Louisiana

October 13, 2021

**LOUISIANA CENTER FOR CHILDREN'S RIGHTS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2021**

**SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unmodified opinion on the financial statements of Louisiana Center for Children's Rights, which was prepared in accordance with generally accepted accounting principles.
2. No significant deficiencies or material weaknesses in internal control were disclosed during the audit of the financial statements were reported in the 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.
3. No instances of noncompliance material to the financial statements of Louisiana Center for Children's Rights were disclosed in the 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.
4. No management letter was issued for June 30, 2021 and 2020.
5. Louisiana Center for Children's Rights did not expend more than \$750,000 in federal awards during the years ended June 30, 2021 and 2020, and therefore, is exempt from the audit requirements under the *Uniform Guidance*.

**FINDINGS-FINANCIAL STATEMENTS**

There were no findings for the years ended June 30, 2021 and 2020.

**FINDINGS-FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

This is not applicable to the Organization for the years ended June 30, 2021 and 2020.

**LOUISIANA CENTER FOR CHILDREN'S RIGHTS**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2021**

There were no audit findings for the year ended June 30, 2021.

**SUPPLEMENTARY INFORMATION**

**LOUISIANA CENTER FOR CHILDREN'S RIGHTS**

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER  
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

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

Agency Head Name: Aaron Clark-Rizzo, Executive Director

Salary	\$	99,000
Benefits-insurance		21,493
Reimbursements		358
Total	\$	<u>120,851</u>



**LOUISIANA COMPLIANCE QUESTIONNAIRE**  
**(For Audit Engagements of Quasi-Public Agencies)**

8-16-2021 (Date Transmitted)

Bernard and Franks, A Corporation of CPA's (CPA Firm Name)  
4141 Veterans Memorial Blvd. Suite 313 (CPA Firm Address)  
Metairie, LA 70002 (City, State Zip)

In connection with your audit of our financial statements as of June 30, 2021 and for 7/1/20-6/30/21 (period of audit) for the purpose of expressing an opinion as to the fair presentation of our financial statements in accordance with accounting principles generally accepted in the United States of America, to assess our internal control structure as a part of your audit, and to review our compliance with applicable laws and regulations, we confirm, to the best of our knowledge and belief, the following representations. These representations are based on the information available to us as of 8/16/2021 (date completed/date of the representations).

**PART I. Agency Profile**

1. Name and address of the organization.

Louisiana Center for Children's Rights  
1100-B Milton Street, New Orleans, LA 70122

2. List names, addresses, and telephone numbers of entity officials. Include elected/appointed members of the governing board, chief executive and fiscal officer, and legal counsel. (see attached)

3. Period of time covered by this questionnaire. 7/1/20/6/30/21

4. The entity has been organized under the following provisions of the Louisiana Revised Statute(s) (R.S.) and, if applicable, local resolutions/ordinances.

501 ©(3)

5. Briefly describe the public services provided.

Louisiana Center for Children's Rights is a nonprofit law office serving as the juvenile public defender in Orleans Parish. Using direct representation and advocacy, we fight to keep children out of the juvenile justice system so that they can thrive in their homes and communities.

6. Expiration date of current elected/appointed officials' terms.  
Included in attachment for #2

**Part II. Federal, State, and Local Awards**

7. We have detailed for you the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes [ x ] No [ ]

8. All transactions relating to federal grants have been properly recorded within our accounting records and reported to the appropriate federal grantor officials.

Yes [ x ] No [ ]

9. All transactions relating to state grants have been properly recorded within our accounting records and reported to the state grantor officials.

Yes  No

10. All transactions relating to local grants have been properly recorded within our accounting records and reported to the appropriate local grantor officials.

Yes  No

11. The reports filed with federal agencies are properly supported by books of original entry and supporting documentation.

Yes  No

12. The reports filed with state agencies are properly supported by books of original entry and supporting documentation.

Yes  No

13. The reports filed with local agencies are properly supported by books of original entry and supporting documentation.

Yes  No

14. We have complied with all applicable compliance requirements of all federal programs we administer,

Yes  No

15. We have complied with all applicable specific requirements of all state programs we administer, to include matters contained in the grant awards.

Yes  No

16. We have complied with all applicable specific requirements of all local programs we administer, to include matters contained in the grant awards.

Yes  No

17. We have provided you with all communications from grantors concerning noncompliance with or deficiencies in administering grant programs.

Yes  No

### Part III. Public Records

18. We are familiar with the Public Records Act and have made available to the public those records as required by R.S. 44:33.

Yes  No

### Part IV. Open Meetings

19. Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website to determine whether a non-profit agency is subject to the open meetings law.**

Yes  No

**Part V. Budget**

20 For each federal grant, we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration

Yes [ x ] No [ ]

21 For each grant received from the state, we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose, duration, specific goals and objectives, and measures of performance

Yes [ x ] No [ ]

22 For each local grant, we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration

Yes [ x ] No [ ]

**Part VI. Reporting**

23 We have had our financial statements audited in a timely manner in accordance with R.S. 24:513.

Yes [ x ] No [ ]

24. We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law)


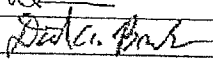
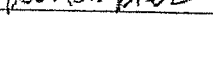
Yes [ x ] No [ ]

25 We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [ x ] No [ ]

The previous responses have been made to the best of our belief and knowledge. We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur subsequent to the issuance of your report.

 <u>Jana K. Lipman</u>	Secretary	<u>August 16, 2021</u>	Date
	Treasurer	<u>August 16, 2021</u>	Date
	President	<u>August 16, 2021</u>	Date