

**Gingerbread House Bossier/Caddo
Children's Advocacy Center, Inc.**

**Financial Statements
December 31, 2013 and 2012**

**Gingerbread House Bossier/Caddo
Children's Advocacy Center, Inc.**

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December 31, 2013 and 2012**

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**Gingerbread House Bossier/Caddo
Children's Advocacy Center, Inc.**

Statements of Financial Position
December 31, 2013 and 2012

	Assets	
	2013	2012
Current assets		
Cash and cash equivalents	\$ 128,722	\$ 94,883
Federal, state, and local grants receivable	27,859	28,049
Other current assets	869	3,369
Total current assets	157,450	126,301
 Property and equipment, net	 13,897	 13,435
 Total assets	 \$ 171,347	 \$ 139,736
Liabilities and Net Assets		
Current liabilities		
Accrued payroll and taxes	\$ 22,705	\$ 20,306
Total current liabilities	22,705	20,306
 Total liabilities	 22,705	 20,306
 Net assets		
Unrestricted	113,642	99,430
Temporarily restricted	35,000	20,000
Permanently restricted	-	-
Total net assets	148,642	119,430
 Total liabilities and net assets	 \$ 171,347	 \$ 139,736

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

**Gingerbread House Bossier/Caddo
Children's Advocacy Center, Inc.**

Statement of Activities
for the Year Ended December 31, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Changes in net assets				
Revenue				
Individual contributions	\$ 45,883	\$ -	\$ -	\$ 45,883
Foundation and corporate support	63,895	70,000	-	133,895
Federal, state, and local grants	121,361	-	-	121,361
Fundraising	95,339	-	-	95,339
In-kind rent	62,592	-	-	62,592
Other	56	-	-	56
Net assets released from restrictions	55,000	(55,000)	-	-
Total revenue	444,126	15,000	-	459,126
Expenses				
Program services	346,527	-	-	346,527
Support services				
Management and general	58,910	-	-	58,910
Fundraising	24,477	-	-	24,477
Total support services	83,387	-	-	83,387
Total expenses	429,914	-	-	429,914
Change in net assets	14,212	15,000	-	29,212
Net assets, beginning of year	99,430	20,000	-	119,430
Net assets, end of year	\$ 113,642	\$ 35,000	\$ -	\$ 148,642

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

**Gingerbread House Bossier/Caddo
Children's Advocacy Center, Inc.**

Statement of Activities
for the Year Ended December 31, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Changes in net assets				
Revenue				
Individual contributions	\$ 37,516	\$ -	\$ -	\$ 37,516
Foundation and corporate support	107,385	40,000	-	147,385
Federal, state, and local grants	114,338	-	-	114,338
Fundraising	88,417	-	-	88,417
In-kind rent	62,592	-	-	62,592
Other	103	-	-	103
Net assets released from restrictions	36,000	(36,000)	-	-
Total revenue	446,351	4,000	-	450,351
Expenses				
Program services	356,950	-	-	356,950
Support services				
Management and general	61,930	-	-	61,930
Fundraising	36,654	-	-	36,654
Total support services	98,584	-	-	98,584
Total expenses	455,534	-	-	455,534
Change in net assets	(9,183)	4,000	-	(5,183)
Net assets, beginning of year	108,613	16,000	-	124,613
Net assets, end of year	\$ 99,430	\$ 20,000	\$ -	\$ 119,430

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

**Gingerbread House Bossier/Caddo
Children's Advocacy Center, Inc.**

Statement of Functional Expenses
for the Year Ended December 31, 2013

	Program Services	Support Services		Totals
		Management and General	Fund Raising	
Accounting and professional services	\$ -	\$ 10,000	\$ -	\$ 10,000
Dues and subscriptions	-	459	-	459
Depreciation	5,036	560	-	5,596
Insurance	20,015	3,699	-	23,714
Office supplies	3,722	3,076	-	6,798
Postage	79	352	-	431
Printing	2,462	1,264	3,892	7,618
Repairs and maintenance	-	405	-	405
Salaries and payroll taxes	228,333	23,514	-	251,847
Rent	56,959	5,633	-	62,592
Technology and website	-	1,758	-	1,758
Training	13,837	2,872	-	16,709
Travel	1,040	1,442	-	2,482
Utilities and telephone	12,679	1,314	-	13,993
Other	2,365	2,562	20,585	25,512
Total	\$ 346,527	\$ 58,910	\$ 24,477	\$ 429,914

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

**Gingerbread House Bossier/Caddo
Children's Advocacy Center, Inc.**

Statement of Functional Expenses
for the Year Ended December 31, 2012

	Program Services	Support Services		Totals
		Management and General	Fund Raising	
Accounting and professional services	\$ -	\$ 9,910	\$ -	\$ 9,910
Dues and subscriptions	150	5,223	-	5,373
Depreciation	4,716	524	-	5,240
Insurance	20,568	2,029	-	22,597
Office supplies	4,348	3,617	-	7,965
Postage	435	3,033	385	3,853
Printing	6,581	-	3,827	10,408
Repairs and maintenance	-	1,089	-	1,089
Salaries and payroll taxes	229,387	22,991	-	252,378
Rent	56,959	5,633	-	62,592
Technology and website	202	60	-	262
Training	14,868	1,894	-	16,762
Travel	1,020	2,072	-	3,092
Utilities and telephone	12,521	1,297	-	13,818
Other	5,195	2,558	32,442	40,195
Total	\$ 356,950	\$ 61,930	\$ 36,654	\$ 455,534

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

**Gingerbread House Bossier/Caddo
Children's Advocacy Center, Inc.**

Statements of Cash Flows
for the Years Ended December 31, 2013 and 2012

	2013	2012
Cash flows from operating activities		
Change in net assets	\$ 29,212	(\$ 5,183)
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities		
Depreciation	5,596	5,240
(Increase) decrease in		
Contributions receivable	-	9,459
Support receivable	-	5,000
Grants receivable	190	838
Other current assets	2,500	(2,500)
Increase (decrease) in		
Accounts payable	-	(802)
Accrued payroll and taxes	2,399	6,383
Cash provided by operating activities	39,897	18,435
Cash flows from investing activities		
Purchase of capital assets	(6,058)	(1,920)
Cash used in investing activities	(6,058)	(1,920)
Net increase (decrease) in cash and cash equivalents	33,839	16,515
Cash and cash equivalents, beginning of year	94,883	78,368
Cash and cash equivalents, end of year	\$ 128,722	\$ 94,883

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

Gingerbread House Bossier/Caddo Children's Advocacy Center, Inc.

Notes to Financial Statements
December 31, 2013 and 2012

Note 1 Organization and Significant Accounting Policies

The Gingerbread House Bossier/Caddo Children's Advocacy Center, Inc. (the "Gingerbread House") is a not-for-profit corporation formed under the laws of the State of Louisiana. It began serving abused children in 1998. The mission of Gingerbread House is to work to prevent child abuse, be an advocate for children and families who have experienced abuse, and assist in the legal process. Gingerbread House works in collaboration with local law enforcement, child protective services, the district attorneys' offices, and medical and mental health professionals to provide services for abused children and their families. All services are provided at no cost to the victim's family or referring agency. Gingerbread House's program activities include the following:

Forensic Interviews - Gingerbread House employs forensic child interviewers trained in obtaining the details necessary to conduct effective and complete investigations of child sexual and severe physical abuse cases in a non-threatening manner. Children ages 2-14 from all social, economic and ethnic backgrounds are served.

Multidisciplinary Investigations - Gingerbread House has established a Multidisciplinary Team (MDT) approach for responding to child abuse cases. The MDT consists of members from law enforcement, the Office of Community Services, the district attorneys' offices, and medical and mental health agencies. All cases are coordinated, reviewed, and tracked by the MDT.

Mental Health Therapy Interventions - Follow-up counseling services for child victims interviewed at Gingerbread House and their non-offending caregivers are offered at the Gingerbread House by a Ph.D. or Licensed Professional Counselor at no cost to the victim's family.

Family Advocacy & Supportive Services - Gingerbread House offers referral services for child abuse victims and their families. Educational support groups for both child victims and their non-offending family members are offered year-round. Adult groups are facilitated by the Counselor and children groups are facilitated by the Family Advocate. In addition, Gingerbread House coordinates annual outreach programs in the local community.

Community Education & Prevention Services - Gingerbread House coordinates local efforts in child abuse education and awareness. Services include Knowledge is Power, a body safety/sexual abuse risk-reduction program with components for children (preschool through elementary school level), school personnel and other mandated reporters, and parents. In addition, Gingerbread House conducts numerous presentations for community organizations on topics related to child abuse.

Professional Development & Training Opportunities - Gingerbread House provides ongoing training for members of the Multidisciplinary Team and local agencies working in the field of child abuse. Events include spring MDT training, cultural diversity workshops, videoconferences (through partnership with local agencies), national conferences such as National Symposium on Child Abuse (Huntsville, AL) and Crimes Against Children (Dallas, TX), and a number of other training opportunities.

Basis of Accounting - The accounting policies of Gingerbread House conform to U.S. generally accepted accounting principles as applicable to voluntary health and welfare organizations. Gingerbread House prepares its financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation - The Gingerbread House has adopted the requirements of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958 "Not-for-Profit Entities." Under FASB ASC 958, the Gingerbread House is required to report information regarding its financial position and activities based on the absence or existence of donor-imposed restrictions. Accordingly, net assets and changes therein, may be classified and reported as follows, as financial circumstances require:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations. Some unrestricted net assets may be designated by the governing board of the Gingerbread House for specific purposes.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Gingerbread House and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Gingerbread House. Generally, donors permit all or part of the income earned on these assets to be used for general or specific purposes.

Cash and Cash Equivalents and Concentration of Credit Risk - The Gingerbread House considers all highly liquid debt instruments with a remaining maturity at date of purchase of three months or less to be cash equivalents. Cash and cash equivalents consist principally of demand deposits at commercial banks. There were no cash equivalents at December 31, 2013 and 2012. The demand deposit balances, as reflected in the banks' records, are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2013 and 2012, the Gingerbread House's cash balances were fully insured.

Financial instruments that are exposed to concentrations of credit risk consist of cash and grants, support and contribution receivables. Grants, support and contribution receivables are principally with federal, state, local agencies, foundations and individuals, within the geographic area. Realization of these items is dependent on various individual economic conditions, and the Gingerbread House required no collateral. Receivables are carried at estimated net realizable values. As of December 31, 2013 and 2012, the Gingerbread House had no significant concentrations of credit risk.

Contributions - In accordance with FASB ASC Topic 958, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor-imposed restrictions.

Promises to Give - Contributions are recognized when the donor makes a promise to give to the Gingerbread House that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When the restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Accounts Receivable - Federal, state, and local grants receivable are recorded at the amount billed and are deemed delinquent based on contractual terms.

Allowance for Doubtful Accounts - The allowance for doubtful accounts is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the receivables in light of historical experience, the nature and type of account, adverse situations that may affect the payor's ability to repay and prevailing economic conditions. This evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available. Receivables deemed uncollectible are charged off against the allowance when management believes the uncollectibility is confirmed. All receivables are considered to be fully collectible within one year; accordingly, no allowance for uncollectible receivables has been recognized at December 31, 2013 and 2012.

Property and Equipment - Assets with useful lives over two years and in excess of \$1,000 are capitalized. Assets purchased are recorded at cost and depreciated using the straight-line method over the estimated useful lives as follows.

Office equipment	5 to 7 years
Furniture and fixtures	7 to 10 years
Toys/games	7 years
Counseling tools	7 years

Donated assets are recorded at their estimated fair value at the date of donation and are depreciated using the same method as assets purchased.

Public Support - All contributions are considered to be available for unrestricted use, unless specifically restricted by the donor.

In-kind Donations - The Gingerbread House records various types of in-kind support, including rent, supplies and design and printing services. GAAP requires recognition of professional services received if those services (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements as in-kind support are offset by like amounts included in expenses or assets.

Federal Income Tax - Under provisions of Section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of the State of Louisiana, the Gingerbread House is exempt from income taxes, except from unrelated business income. There were no unrelated business activities for the years ended December 31, 2013 or 2012. Accordingly, no tax expense was incurred for the years ended December 31, 2013 or 2012.

The Gingerbread House adopted the provisions of the *Accounting for Uncertainty in Income Taxes* Topic of the FASB ASC, which clarifies the accounting and recognition for income tax positions taken or expected to be taken in the Gingerbread House's income tax returns. Management evaluated the Gingerbread House's tax positions and concluded that the Gingerbread House had taken no uncertain tax positions that required adjustments to the financial statements to comply with the provisions of this guidance. The Gingerbread House is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for years before 2010.

Allocation of Functional Expenses - The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Date of Management's Review - The Gingerbread House has evaluated all subsequent events through June 30, 2014, the date the financial statements were available to be issued.

Note 2 Property and Equipment

A summary of property and equipment at December 31, 2013 and 2012, is as follows:

	2013	2012
Office equipment	\$ 47,737	\$ 41,679
Furniture and fixtures	15,076	15,076
Toys/games	2,662	2,662
Counseling tools	3,209	3,209
Total property and equipment	<u>68,684</u>	<u>62,626</u>
Accumulated depreciation	(54,787)	(49,191)
Property and equipment, net	<u>\$ 13,897</u>	<u>\$ 13,435</u>

Depreciation expense was \$5,596 and \$5,240 for the years ended December 31, 2013 and 2012, respectively.

Note 3 Operating Lease

The Gingerbread House leases its office space. The current term of the lease covers the period from February 1, 2013, to January 31, 2014, and was renewed for an additional twelve month period ending January 31, 2015, subsequent to year end. Rent expense under the lease for the years ended December 31, 2013 and 2012, was \$1 and \$1, respectively.

Note 4 Non-Cash Donations

During the years ended December 31, 2013 and 2012, the Gingerbread House received the following non-cash donations of materials, services, advertising and use of facilities that have been reflected in the financial statements of the Gingerbread House:

	<u>2013</u>	<u>2012</u>
In-kind rent		
Use of facilities	\$ <u>62,592</u>	\$ <u>62,592</u>
In-kind fundraising		
Facility rental and audiovisual services	\$ 7,428	\$ 11,180
Design and printing services	3,892	3,827
Other donated items	<u>5,875</u>	<u>4,850</u>
	\$ <u>17,195</u>	\$ <u>19,857</u>

The use of the facilities where the Gingerbread House operates was donated by Christus Health Northern Louisiana, d/b/a Christus Schumpert Health System, which owns the real property. Amounts have been recognized as revenues and expenses in the accompanying financial statements for the approximate fair market value of the donated facilities, \$62,592 for the years ended December 31, 2013 and 2012.

Note 5 Fundraising Activities

The Gingerbread House held fund raising luncheons with noted guest speakers as its annual fundraising events in 2013 and 2012.

The luncheon revenue and expenses for the year ended December 31, 2013, were as follows:

Gross unrestricted revenue	\$ 107,596
Less: cost of direct benefit to donors – dinners	(<u>12,257</u>)
Total net unrestricted revenue from fundraising event	<u>95,339</u>
In-kind expenses	17,195
Other expenses	<u>7,282</u>
Total fundraising expenses	<u>24,477</u>
Net increase in unrestricted net assets from fundraising event	\$ <u>70,862</u>

The luncheon revenue and expenses for the year ended December 31, 2012, were as follows:

Gross unrestricted revenue	\$ 101,851
Less: cost of direct benefit to donors – dinners	(<u>13,434</u>)
Total net unrestricted revenue from fundraising event	<u>88,417</u>
In-kind expenses	19,857
Other expenses	<u>16,797</u>
Toast fundraising expenses	<u>36,654</u>
Net increase in unrestricted net assets from fundraising event	\$ <u>51,763</u>

Note 6 Temporarily Restricted Net Assets

Temporarily restricted net assets at December 31, 2013 and 2012, consist of unexpended foundation grant revenues.

Note 7 Contingent Liabilities

The Gingerbread House receives grants that are subject to review and audit by the agency providing the funding. Such reviews and audits could result in expenses being disallowed under the terms and conditions of the grants. In the opinion of management, such disallowances, if any, would be immaterial.

At December 31, 2013, the Gingerbread House had a \$30,000 line of credit with a bank at a variable interest rate of 3% over the Wall Street Journal Prime, collateralized by Chattel Paper, accounts, and general intangibles. There have been no draws on this line of credit in 2013.

Note 8 Prior Period Reclassification

The following reclassifications were made to the 2012 statement of activities, which had no effect on 2012 change in net assets:

	As Previously Reported	As Adjusted Amounts
Unrestricted foundation and corporate support revenue	\$ 147,385	\$ 107,385
Temporarily restricted foundation and corporate support revenue	\$ -	\$ 40,000
Temporarily restricted net assets released from restriction	\$ 1,000	\$ 36,000
Unrestricted net assets, beginning of year	\$ 123,613	\$ 108,613
Temporarily restricted net assets, beginning of year	\$ 1,000	\$ 16,000
Unrestricted change in net assets	(\$ 4,183)	(\$ 9,183)
Temporarily restricted change in net assets	(\$ 1,000)	\$ 4,000
Unrestricted net assets, end of year	\$ 119,430	\$ 99,430
Temporarily restricted net assets, end of year	\$ -	\$ 20,000



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Independent Auditor's Report

To the Board of Directors of
Gingerbread House Bossier/Caddo
Children's Advocacy Center, Inc.
Shreveport, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Gingerbread House Bossier/Caddo Children's Advocacy Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gingerbread House Bossier/Caddo Children's Advocacy Center, Inc. as of December 31, 2013 and 2012, 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.

CARR, RIGGS & INGRAM, LLC
CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana
June 30, 2014

**Gingerbread House Bossier/Caddo
Children's Advocacy Center, Inc.**

Schedule of Findings and Responses
December 31, 2013

Current Year Findings
None

Prior Year Findings
None