

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

FINANCIAL STATEMENTS

December 31, 2016 and 2015



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**Gingerbread House Bossier/Caddo
Children’s Advocacy Center, Inc.
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December 31, 2016**

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REPORT





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INDEPENDENT AUDITORS' 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, 2016 and 2015, and the related statements of activities, 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.

Auditors' 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 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.

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, 2016 and 2015, 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, L.L.C.

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana

May 15, 2017



FINANCIAL STATEMENTS

**Gingerbread House Bossier/Caddo
Children's Advocacy Center, Inc.
Statements of Financial Position**

<i>December 31,</i>	2016	2015
Assets		
Current assets		
Cash and cash equivalents	\$ 319,956	\$ 271,613
Individual contributions receivable	1,238	-
Foundation and corporate support receivable	-	5,000
Federal, state, and local grants receivable	36,918	24,870
Other current assets	869	869
Total current assets	358,981	302,352
Property and equipment, net	26,228	26,722
Beneficial interest in assets of foundation	28,042	-
Total assets	\$ 413,251	\$ 329,074
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 2,108	\$ 2,040
Accrued payroll and taxes	30,146	21,478
Total current liabilities	32,254	23,518
Total liabilities	32,254	23,518
Net assets		
Unrestricted	329,747	251,556
Temporarily restricted	51,250	54,000
Permanently restricted	-	-
Total net assets	380,997	305,556
Total liabilities and net assets	\$ 413,251	\$ 329,074

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

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

<i>For the Year Ended December 31, 2016</i>	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Changes in net assets				
Revenue				
Contributions	\$ 64,507	\$ -	\$ -	\$ 64,507
Foundation and corporate grants	156,755	102,500	-	259,255
Federal, state, and local grants	193,422	-	-	193,422
Fundraising	93,648	-	-	93,648
In-kind rent	62,592	-	-	62,592
Unrealized gain on endowment	2,826	-	-	2,826
Other	829	-	-	829
Total revenue	574,579	102,500	-	677,079
Net assets released from restrictions	105,250	(105,250)	-	-
Expenses				
Program services	509,545	-	-	509,545
Support services				
Management and general	71,716	-	-	71,716
Fundraising	20,377	-	-	20,377
Total support services	92,093	-	-	92,093
Total expenses	601,638	-	-	601,638
Change in net assets	78,191	(2,750)	-	75,441
Net assets, beginning of year	251,556	54,000	-	305,556
Net assets, end of year	\$ 329,747	\$ 51,250	\$ -	\$ 380,997

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

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

<i>For the Year Ended December 31, 2015</i>	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Changes in net assets				
Revenue				
Contributions	\$ 102,360	\$ -	\$ -	\$ 102,360
Foundation and corporate grants	127,480	105,000	-	232,480
Federal, state, and local grants	115,507	-	-	115,507
Fundraising	99,050	-	-	99,050
In-kind rent	62,592	-	-	62,592
Other	139	-	-	139
Total revenue	507,128	105,000	-	612,128
Net assets released from restrictions	101,500	(101,500)	-	-
Expenses				
Program services	356,172	-	-	356,172
Support services				
Management and general	119,305	-	-	119,305
Fundraising	20,942	-	-	20,942
Total support services	140,247	-	-	140,247
Total expenses	496,419	-	-	496,419
Change in net assets	112,209	3,500	-	115,709
Net assets, beginning of year	139,347	50,500	-	189,847
Net assets, end of year	\$ 251,556	\$ 54,000	\$ -	\$ 305,556

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

**Gingerbread House Bossier/Caddo
Children's Advocacy Center, Inc.
Statement of Functional Expenses**

<i>For the Year Ended December 31, 2016</i>	<u>Support Services</u>			Totals
	Program Services	Management and General	Fund Raising	
Accounting and professional services	\$ 9,643	\$ 2,023	\$ -	\$ 11,666
Dues and subscriptions	2,275	2,319	-	4,594
Depreciation	4,910	818	-	5,728
Insurance	39,622	4,174	-	43,796
Office supplies	5,380	2,971	-	8,351
Postage	1,217	808	-	2,025
Printing	10,021	1,990	2,106	14,117
Repairs and maintenance	2,469	2,158	-	4,627
Salaries and payroll taxes	330,158	22,989	-	353,147
Rent	53,651	8,942	-	62,593
Technology and website	-	1,752	-	1,752
Training	26,044	3,278	-	29,322
Travel	2,728	1,772	-	4,500
Utilities and telephone	14,011	2,335	-	16,346
Other	7,416	13,387	18,271	39,074
Total	\$ 509,545	\$ 71,716	\$ 20,377	\$ 601,638

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

**Gingerbread House Bossier/Caddo
Children's Advocacy Center, Inc.
Statement of Functional Expenses**

<i>For the Year Ended December 31, 2015</i>	<u>Support Services</u>			Totals
	Program Services	Management and General	Fund Raising	
Accounting and professional services	\$ -	\$ 10,750	\$ -	\$ 10,750
Dues and subscriptions	-	4,934	-	4,934
Depreciation	5,013	496	-	5,509
Insurance	27,249	4,871	-	32,120
Office supplies	6,662	6,110	-	12,772
Postage	284	1,563	-	1,847
Printing	990	7,387	6,330	14,707
Repairs and maintenance	1,290	3,860	-	5,150
Salaries and payroll taxes	232,617	45,125	-	277,742
Rent	56,959	5,633	-	62,592
Technology and website	421	1,473	-	1,894
Training	7,445	1,609	-	9,054
Travel	1,047	2,728	-	3,775
Utilities and telephone	13,729	1,407	-	15,136
Other	2,466	21,359	14,612	38,437
Total	\$ 356,172	\$ 119,305	\$ 20,942	\$ 496,419

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

**Gingerbread House Bossier/Caddo
Children's Advocacy Center, Inc.
Statements of Cash Flows**

<i>For the Years Ended December 31,</i>	2016	2015
Cash flows from operating activities		
Change in net assets	\$ 75,441	\$ 115,709
Adjustments to reconcile change in net assets to cash provided by operating activities		
Depreciation	5,728	5,509
(Increase) decrease in		
Contributions receivable	(1,238)	-
Support receivable	5,000	(5,000)
Grants receivable	(12,048)	(1,925)
Beneficial interest in assets of foundation	(28,042)	-
Increase (decrease) in		
Accounts payable	68	2,040
Accrued payroll and taxes	8,668	1,925
Cash provided by operating activities	53,577	118,258
Cash flows from investing activities		
Purchase of capital assets	(5,234)	(24,079)
Cash used in investing activities	(5,234)	(24,079)
Net increase in cash and cash equivalents	48,343	94,179
Cash and cash equivalents, beginning of year	271,613	177,434
Cash and cash equivalents, end of year	\$ 319,956	\$ 271,613

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

**Gingerbread House Bossier/Caddo
Children’s Advocacy Center, Inc.
Notes to the Financial Statements**

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Gingerbread House Bossier/Caddo Children’s Advocacy Center, Inc. (“Gingerbread House”) is a not-for-profit corporation formed under the laws of the State of Louisiana. It began serving abused children in the Louisiana parishes of Bossier and Caddo 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

Counseling services for child victims interviewed at the Center and their non-offending caregivers are offered at the Gingerbread House by Licensed Professional Counselors at no cost to the victim’s family.

Family Advocacy and 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 primary Counselor and children’s groups are facilitated by the Family Advocate and trained volunteers. In addition, Gingerbread House coordinates annual outreach programs in the local community.

**Gingerbread House Bossier/Caddo
Children's Advocacy Center, Inc.
Notes to the Financial Statements**

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Community Education and Prevention Services

Gingerbread House coordinates local efforts in child abuse education and awareness. Services include *Knowledge is Power* and *Stewards of Children*. *Knowledge is Power* is 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. *Stewards of Children* is a nationally-recognized, evidence based prevention program for adults by the organization Darkness to Light. In addition, Gingerbread House conducts numerous presentations for community organizations on topics related to child abuse.

Professional Development and 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.

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2016 and 2015. The demand deposit balances, as reflected in the banks' records, are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At December 31, 2016, the Gingerbread House's cash balances exceeded FDIC insurable limits by \$71,317.

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 does not require collateral or other security to support accounts receivable. Receivables are carried at estimated net realizable values. As of December 31, 2016 and 2015, one grantor accounted for 97% and two grantors accounted for 100% of federal, state, and local grants receivable, respectively. As of December 31, 2015, a pledge from one donor accounted for 100% of foundation and corporate support receivable.

Contributions, Grants and Public Support

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

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.

Approximately 35% and 26% of Gingerbread House's revenue, excluding in-kind contributions, were from two funding sources for the years ended December 31, 2016 and 2015, respectively. The current level of the Gingerbread House's operations and program services may be impacted or segments discontinued if the funding is not renewed.

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Gingerbread House that is, in substance, unconditional.

Accounts Receivable

Federal, state, and local grants receivable are recorded at the amount billed.

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, 2016 and 2015.

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.

Leasehold improvements	15 years
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.

Beneficial Interest in Assets of Foundation

Transfers of its funds to the Community Foundation of Shreveport-Bossier, specifying the Gingerbread House as the beneficiary, are accounted for as an asset, in accordance with generally accepted accounting principles, and presented in these statements of financial position in the caption beneficial interest in assets of foundation.

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Retirement Plan

During the year ended December 31, 2016, the Gingerbread House established a SIMPLE IRA retirement plan covering all employees who meet the eligibility requirements. The Gingerbread House matches employees' contributions up to 3%. Contributions to the plan were \$4,520 for 2016.

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, 2016 and 2015. Accordingly, no tax expense was incurred for the years ended December 31, 2016 and 2015.

Allocation of Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements 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 May 15, 2017, the date the financial statements were available to be issued.

NOTE 2: PROPERTY AND EQUIPMENT

<i>December 31,</i>	2016	2015
Leasehold improvements	\$ 13,485	\$ 12,046
Office equipment	27,909	47,713
Furniture and fixtures	9,070	15,076
Toys/games	1,019	2,662
Counseling tools	3,209	3,209
Total property and equipment	54,692	80,706
Accumulated depreciation	(28,464)	(53,984)
Property and equipment, net	\$ 26,228	\$ 26,722

Depreciation expense was \$5,728 and \$5,509 for the years ended December 31, 2016 and 2015, respectively.

NOTE 3: BENEFICIAL INTEREST IN ASSETS OF FOUNDATION

During 2016, the Gingerbread House established an endowment fund at the Community Foundation of Shreveport-Bossier (the "Foundation"). Under the terms of the agreement, variance power and legal ownership of the funds rest with the Foundation, the Gingerbread House is the beneficiary of the reciprocal transfer.

Net investment income and/or capital appreciation of the endowment fund must be distributed to the Gingerbread House at least annually, provided the average market value is greater than the amount contributed to the fund.

Activity of this beneficial interest is summarized as follows:

Beginning balance, January 1, 2016	\$	-
Contributions		25,000
Interest		414
Net realized and unrealized gains		2,826
Administrative fees		(198)
Ending balance, December 31, 2016	\$	28,042

NOTE 4: OPERATING LEASE

The Gingerbread House leases its office space. The current term of the lease covers the period from February 1, 2016, to January 31, 2017, and was renewed for an additional twelve month period ending January 31, 2018, subsequent to year end. Rent expense under the lease for the years ended December 31, 2016 and 2015, was \$1.

NOTE 5: NON-CASH DONATION

During the years ended December 31, 2016 and 2015, 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:

<i>December 31,</i>	2016	2015
In-kind rent		
Use of facilities	\$ 62,592	\$ 62,592
In-kind fundraising		
Design and printing services	\$ 2,106	\$ 6,330
Donated meals	940	2,300
Other donated items	6,378	5,463
Total	\$ 9,424	\$ 14,093

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, 2016 and 2015.

NOTE 6: FUNDRAISING ACTIVITIES

The Gingerbread House held fundraising luncheons with noted guest speakers as its annual fundraising events in 2016 and 2015.

NOTE 6: FUNDRAISING ACTIVITIES (Continued)

The luncheon revenue and expenses for the years ended December 31, 2016 and 2015, were as follows:

<i>For the Year Ended</i>	2016	2015
Fundraising revenue		
Gross unrestricted revenue	\$ 103,198	\$ 106,185
Less: cost of direct benefit to donors – dinners	(9,550)	(7,135)
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Total net unrestricted revenue from fundraising event	93,648	99,050
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Fundraising expenses		
In-kind expenses	9,424	14,093
Other expenses	10,953	9,416
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Total fundraising expenses	20,377	23,509
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Net increase in unrestricted net assets from fundraising event	\$ 73,271	\$ 75,541
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NOTE 7: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31, 2016 and 2015, consist of unexpended foundation grant revenues and annual fundraiser sponsorships.

NOTE 8: 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.

NOTE 9: LINE OF CREDIT

The Gingerbread House has a \$30,000 line of credit with a bank at a variable interest rate of 3% over the Wall Street Journal Prime (6.75% at December 31, 2016), collateralized by deposits with the lender, chattel paper, accounts, and general intangibles. The line of credit expires March 25, 2018. No draws were made on this line of credit in 2016 or 2015, and the balance at December 31, 2016 and 2015 was \$0.