



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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January 17, 2023

Board of Directors
The Hendricks County Child Advocacy Center, Inc.
d/b/a Susie's Place
7519 Beechwood Center Rd, Suite 500
Avon, IN 46123

We have reviewed the audit report of The Hendricks County Child Advocacy Center, Inc. d/b/a Susie's Place, which was opined upon by Alerding CPA Group, Independent Public Accountants, for the period January 1, 2021 to December 31, 2021. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of The Hendricks County Child Advocacy Center, Inc. d/b/a Susie's Place as of December 31, 2021 and the results of its operations for the period then ended, on the basis of accounting described in the report.

We call your attention to the finding in the report on page 26. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan can be found on page 27.

In our opinion, Alerding CPA Group prepared the audit report in accordance with guidelines established by the State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

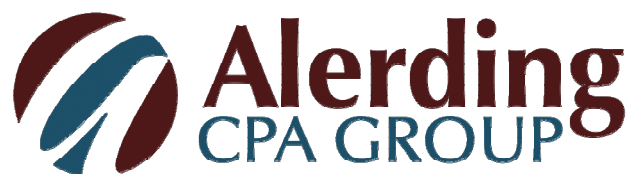
Tammy R. White, CPA
Deputy State Examiner

**THE HENDRICKS COUNTY CHILD ADVOCACY CENTER, INC.
D/B/A**



FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020



**THE HENDRICKS COUNTY CHILD ADVOCACY CENTER, INC.
D/B/A
SUSIE'S PLACE**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Hendricks County Child Advocacy Center, Inc.
d/b/a Susie's Place

Opinion

We have audited the accompanying financial statements of The Hendricks County Advocacy Center, Inc. d/b/a Susie's Place (the "Organization"), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021 and 2020, and the changes in its net assets, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Correction of Error

As disclosed in Note 12 to the financial statements, during 2021 Management discovered an error in the application of accounting principles generally accepted in the United States of America resulting in the understatement of total assets and unrestricted net assets as of December 31, 2020, and the understatement of revenue and support for the year then ended. The correction of the error resulted in the restatement of the 2020 financial statements now presented herein. Our opinion is not modified with respect to that matter.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. 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 schedule of expenditures of federal awards 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 *Government Auditing Standards*, we have also issued our report dated August 31, 2022 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over



Indianapolis, Indiana
August 31, 2022

THE HENDRICKS COUNTY CHILD ADVOCACY CENTER, INC.
D/B/A
SUSIE'S PLACE

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u> <u>(Restated)</u>
Current Assets:		
Cash and cash equivalents	\$ 339,162	\$ 223,284
Investments	26,196	13,708
Accounts receivable	24,190	-0-
Grants receivable	116,093	172,819
Prepaid expenses	16,592	-0-
Deferred rent	<u>36,000</u>	<u>36,000</u>
Total current assets	558,233	445,811
Property and Equipment, Net	105,790	119,483
Lease Deposit	2,500	2,500
Deferred Rent	<u>21,000</u>	<u>-0-</u>
	<u>\$ 687,523</u>	<u>\$ 567,794</u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accrued expenses	<u>\$ 220</u>	<u>\$ -0-</u>
Net Assets:		
Without donor restrictions	610,303	526,794
With donor restrictions	<u>77,000</u>	<u>41,000</u>
Total net assets	<u>687,303</u>	<u>567,794</u>
	<u>\$ 687,523</u>	<u>\$ 567,794</u>

See accompanying Notes to Financial Statements.

THE HENDRICKS COUNTY CHILD ADVOCACY CENTER, INC.
D/B/A
SUSIE'S PLACE

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total (Restated)
Revenue and Support:				
Contributions:				
Corporate and government contributions and grants	\$ 951,881	\$ 20,000	\$ 971,881	\$ 915,393
Paycheck Protection Program	-0-	-0-	-0-	138,411
Individual contributions	<u>70,679</u>	<u>-0-</u>	<u>70,679</u>	<u>41,287</u>
Total contributions	1,022,560	20,000	1,042,560	1,095,091
Other revenue and support:				
Special events	187,726	-0-	187,726	131,722
Training fees	66,134	-0-	66,134	44,796
In-kind donations	68,110	57,000	125,110	44,125
Investment income, net	12,488	-0-	12,488	2,158
Other	<u>13,233</u>	<u>-0-</u>	<u>13,233</u>	<u>-0-</u>
Total revenue and support	1,370,251	77,000	1,447,251	1,317,892
Net Assets Released				
From Donor Restrictions	<u>41,000</u>	<u>(41,000)</u>	<u>-0-</u>	<u>-0-</u>
	<u>1,411,251</u>	<u>36,000</u>	<u>1,447,251</u>	<u>1,317,892</u>
Expenses:				
Program services	1,181,141	-0-	1,181,141	1,096,410
Fundraising	97,144	-0-	97,144	55,788
Management and general	<u>49,457</u>	<u>-0-</u>	<u>49,457</u>	<u>48,735</u>
Total expenses	<u>1,327,742</u>	<u>-0-</u>	<u>1,327,742</u>	<u>1,200,933</u>
Change in net assets	83,509	36,000	119,509	116,959
Net Assets, Beginning of Year	<u>526,794</u>	<u>41,000</u>	<u>567,794</u>	<u>450,835</u>
Net Assets, End of Year	<u>\$ 610,303</u>	<u>\$ 77,000</u>	<u>\$ 687,303</u>	<u>\$ 567,794</u>

See accompanying Notes to Financial Statements.

**THE HENDRICKS COUNTY CHILD ADVOCACY CENTER, INC.
D/B/A
SUSIE'S PLACE**

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (RESTATED)
YEAR ENDED DECEMBER 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Support:			
Contributions:			
Corporate and government contributions and grants	\$ 910,393	\$ 5,000	\$ 915,393
Paycheck Protection Program	138,411	-0-	138,411
Individual contributions	<u>41,287</u>	<u>-0-</u>	<u>41,287</u>
Total contributions	1,090,091	5,000	1,095,091
Other revenue and support:			
Special events	131,722	-0-	131,722
Training fees	44,796	-0-	44,796
In-kind contributions	44,125	-0-	44,125
Investment income	<u>2,158</u>	<u>-0-</u>	<u>2,158</u>
Total revenue and support	1,312,892	5,000	1,317,892
Net Assets Released			
From Donor Restrictions	<u>56,000</u>	<u>(56,000)</u>	<u>-0-</u>
	<u>1,368,892</u>	<u>(51,000)</u>	<u>1,317,892</u>
Expenses:			
Program services	1,096,410	-0-	1,096,410
Fundraising	55,788	-0-	55,788
Management and general	<u>48,735</u>	<u>-0-</u>	<u>48,735</u>
Total expenses	<u>1,200,933</u>	<u>-0-</u>	<u>1,200,933</u>
Change in net assets	167,959	(51,000)	116,959
Net Assets, Beginning of Year	<u>358,835</u>	<u>92,000</u>	<u>450,835</u>
Net Assets, End of Year	<u>\$ 526,794</u>	<u>\$ 41,000</u>	<u>\$ 567,794</u>

See accompanying Notes to Financial Statements.

**THE HENDRICKS COUNTY CHILD ADVOCACY CENTER, INC.
D/B/A
SUSIE'S PLACE**

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	2021				2020 Total
	Program Services	Fundraising	Management and General	Total	
Wages and Benefits:					
Salaries	\$ 718,260	\$ 4,489	\$ 25,439	\$ 748,188	\$ 723,761
Payroll taxes and benefits	<u>70,074</u>	<u>730</u>	<u>2,190</u>	<u>72,994</u>	<u>70,233</u>
Total wages and benefits	788,334	5,219	27,629	821,182	793,994
Other Expenses:					
Insurance	14,750	92	523	15,365	11,710
Special events	-0-	89,138	-0-	89,138	48,525
Professional fees	3,242	69	8,268	11,579	14,066
Contract labor	47,019	294	1,665	48,978	27,430
Rent	155,177	970	5,496	161,643	153,383
Postage and printing	9,495	59	337	9,891	7,548
Technology	13,020	135	407	13,562	9,291
Advertising and promotion	426	49	15	490	3,749
Travel and meals	17,262	108	611	17,981	13,421
Office supplies	29,990	312	937	31,239	25,107
Dues and subscriptions	1,384	9	49	1,442	3,615
Training and related travel	10,065	63	356	10,484	6,958
Telephone and utilities	34,571	216	1,224	36,011	30,658
Repair and maintenance	2,249	14	80	2,343	5,214
Depreciation	36,446	228	1,291	37,965	35,317
Interest expense	3,581	22	127	3,730	3,017
Miscellaneous	<u>14,130</u>	<u>147</u>	<u>442</u>	<u>14,719</u>	<u>7,930</u>
Total expenses	<u>\$ 1,181,141</u>	<u>\$ 97,144</u>	<u>\$ 49,457</u>	<u>\$ 1,327,742</u>	<u>\$ 1,200,933</u>

See accompanying Notes to Financial Statements.

THE HENDRICKS COUNTY CHILD ADVOCACY CENTER, INC.
D/B/A
SUSIE'S PLACE

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	<u>Program Services</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Wages and Benefits:				
Salaries	\$ 694,811	\$ 4,342	\$ 24,608	\$ 723,761
Payroll taxes and benefits	67,424	421	2,388	70,233
Total wages and benefits	<u>762,235</u>	<u>4,763</u>	<u>26,996</u>	<u>793,994</u>
Other Expenses:				
Insurance	11,242	70	398	11,710
Special events	-0-	48,525	-0-	48,525
Professional fees	3,938	84	10,044	14,066
Contract labor	26,333	164	933	27,430
Rent	147,248	920	5,215	153,383
Postage and printing	7,246	45	257	7,548
Technology	8,919	56	316	9,291
Advertising and promotion	3,262	375	112	3,749
Travel and meals	12,884	81	456	13,421
Office supplies	24,103	150	854	25,107
Dues and subscriptions	3,470	22	123	3,615
Training and related travel	6,680	41	237	6,958
Telephone and utilities	29,432	184	1,042	30,658
Repair and maintenance	5,005	31	178	5,214
Depreciation	33,904	212	1,201	35,317
Interest expense	2,896	18	103	3,017
Miscellaneous	7,613	47	270	7,930
Total expenses	<u>\$ 1,096,410</u>	<u>\$ 55,788</u>	<u>\$ 48,735</u>	<u>\$ 1,200,933</u>

See accompanying Notes to Financial Statements.

THE HENDRICKS COUNTY CHILD ADVOCACY CENTER, INC.
D/B/A
SUSIE'S PLACE

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u> <u>(Restated)</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 119,509	\$ 116,959
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	37,965	35,317
Donated property	(17,000)	-0-
Donated investments	-0-	(4,143)
Unrealized gains on investments, net	(12,228)	(2,004)
In-kind deferred rent, net	(21,000)	36,000
Changes in operating assets and liabilities:		
Accounts receivable	(24,190)	-0-
Grants receivable	56,726	(84,121)
Prepaid expenses	(16,592)	-0-
Accrued expenses	220	(2,563)
Net cash provided by operating activities	<u>123,410</u>	<u>95,445</u>
Cash Flows From Investing Activities:		
Purchase of property and equipment	(7,272)	(79,050)
Reinvestment of interest and dividends, net of fees	<u>(260)</u>	<u>(154)</u>
Net cash used in investing activities	<u>(7,532)</u>	<u>(79,204)</u>
Net increase	115,878	16,241
Cash and Cash Equivalents, Beginning of Year	<u>223,284</u>	<u>207,043</u>
Cash and Cash Equivalents, End of Year	<u>\$ 339,162</u>	<u>\$ 223,284</u>
Supplemental Disclosure of Cash Flow Information:		
Cash payments for interest	<u>\$ 3,730</u>	<u>\$ 1,706</u>

See accompanying Notes to Financial Statements.

**THE HENDRICKS COUNTY CHILD ADVOCACY CENTER, INC.
D/B/A
SUSIE'S PLACE**

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

1. SIGNIFICANT ACCOUNTING POLICIES

The Hendricks County Advocacy Center, Inc. d/b/a Susie's Place (the "Organization") is a not-for-profit organization that provides neutral, child-friendly centers to investigate alleged child abuse and neglect in Indiana, while keeping the comfort and safety of the child the first priority.

The significant accounting policies followed by the Organization in the preparation of its financial statements are summarized below:

Basis of Presentation

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. The Organization uses the following accounts to distinguish among restrictions:

Net Assets Without Donor Restrictions

Net assets without donor restrictions include all contributions received, without donor restrictions, and revenues and expenses for the general operation of the Organization.

Net Assets With Donor Restrictions

Net assets with donor restrictions include contributions that have donor-imposed restrictions that limit the use of the donated assets. When a donor's restriction is met, restricted net assets are reclassified to net assets without donor restrictions through the release of restrictions in the Statement of Activities and Changes in Net Assets.

Revenue and Support Recognition

The Organization records contributions as revenue and support at the earlier of when an unconditional promise to give is received either in writing or verbally or when payment is received from the donor. Contributions received on a cost reimbursement basis are recognized when reimbursable expenses are incurred. Government grants under a cost reimbursement arrangement are considered contributions and not an exchange transaction as there is no direct reciprocation of benefits to the grantor in exchange for the contributions. Training fees are recognized as revenue during the reporting period training services are performed.

Revenues and support are reported as increases in net assets with or without donor restrictions based upon whether the donor has imposed any restrictions. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions are met in the same reporting period in which the revenue and support is recognized.

**THE HENDRICKS COUNTY CHILD ADVOCACY CENTER, INC.
D/B/A
SUSIE'S PLACE**

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires Management to make estimates and assumptions that affect the reported amounts in the financial statements and notes to the financial statements. Actual results could differ from those estimates. Primary estimates made in the preparation of the Organization's financial statements include collectability of grants receivable, useful lives of property and equipment, the value of in-kind deferred rent, and the allocation of expenses among functional categories.

Accounts Receivable

Accounts receivable represents amounts due from customers primarily for services previously performed. As of December 31, 2021 and 2020, no provision has been made for uncollectible accounts as the Organization considers all amounts recorded to be fully collectible.

Cash and Cash Equivalents

Cash and cash equivalents represent cash held in checking and money market accounts.

Property and Equipment

Purchased property and equipment are recorded at cost. Items donated are recorded at the assets estimated fair value as of the date of donation. Costs of improvements are capitalized and costs of repairs and maintenance are expensed as incurred. Depreciation is recorded over the estimated useful lives of the assets ranging from four (4) to seven (7) years utilizing the straight-line method.

In-Kind Contributions

The Organization recognizes in-kind donations as support, including rent for two of their facilities (Note 8) and other services provided free of charge or at significant discounts.

Functional Expenses

Expenses are functionally classified as Program Services, Fundraising, and Management and General. Classifications are based on actual direct expenditures and cost allocations determined by estimates of time spent by Organization personnel or other rational means.

**THE HENDRICKS COUNTY CHILD ADVOCACY CENTER, INC.
D/B/A
SUSIE'S PLACE**

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

Income Taxes

The Organization is exempt from Federal and state income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding state law. Accordingly, no provision has been made for Federal or state income taxes.

Management of the Organization evaluates all significant tax positions to ensure compliance with exempt purpose of the Organization as required by U.S. GAAP, including consideration of any unrelated business income tax. As of December 31, 2021, Management does not believe the Organization has taken any tax positions that are not in compliance with the exempt purpose of the Organization. The Organization's Federal and state tax returns remain open and subject to examination beginning with the calendar tax year ended December 31, 2018.

Subsequent Events

Subsequent events have been evaluated through August 31, 2022, which is the date the financial statements were available for issuance.

2. LIQUIDITY AND AVAILABILITY

At December 31, 2021 and 2020, financial assets available for future general expenditures within one year from the Statements of Financial Position consist of the following:

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 339,162	\$ 223,284
Investments	26,196	13,708
Accounts receivable	24,190	-0-
Grants receivable	<u>116,093</u>	<u>172,819</u>
	505,641	409,811
Less donor restricted funds not available to be used for general expenditures within one year	<u>(20,000)</u>	<u>(5,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 485,641</u>	<u>\$ 404,811</u>

The Organization is primarily supported by cost reimbursable and other restricted contributions. Donor restrictions require resources to be used in a particular manner or in a future period and, accordingly, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year.

**THE HENDRICKS COUNTY CHILD ADVOCACY CENTER, INC.
D/B/A
SUSIE'S PLACE**

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

As part of the Organization's liquidity management, its practice is to structure its financial assets to be available to pay its general expenditures, liabilities, and other obligations as they come due. In addition, the Organization has a policy to maintain cash reserves at an amount no less than the three-month moving average of monthly operating expenses. In the event of an unanticipated liquidity need, the Organization has available borrowings of \$100,000 under a line of credit (Note 6).

3. INVESTMENTS AND INVESTMENT INCOME

At December 31, 2021 and 2020, the Organization's assets measured at fair value on a recurring basis include investments, which are measured by Level 1 inputs of the U.S. GAAP fair value hierarchy, and valued at the closing price reported by the active market in which the individual securities trade.

The Organization's primary investment holdings are in equity securities. Equity securities are primarily valued at the daily closing prices as reported by the equity fund. Equities are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV"); however, the funds trade on stock exchanges throughout the day, thus the transaction price could differ from the NAV. There have been no changes to the methodologies used as of December 31, 2021.

The following is a summary of the investment holdings of the Organization's investments as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Equities	\$ 25,735	\$ 13,507
Cash and cash equivalents	<u>461</u>	<u>201</u>
	<u>\$ 26,196</u>	<u>\$ 13,708</u>

Investment income consists of the following for the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Unrealized gains, net	\$ 12,228	\$ 2,004
Interest and dividend income	<u>272</u>	<u>166</u>
	12,500	2,170
Investment fees	<u>(12)</u>	<u>(12)</u>
	<u>\$ 12,488</u>	<u>\$ 2,158</u>

**THE HENDRICKS COUNTY CHILD ADVOCACY CENTER, INC.
D/B/A
SUSIE'S PLACE**

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

4. GRANTS RECEIVABLE

The Organization recognizes all material unconditional promises to give as grant revenue. Promises to give that are expected to be collected in future years are recorded at their net present value.

Grants receivable of \$116,093 and \$172,819 at December 31, 2021 and 2020, respectively, represent receivables from cost reimbursement grants and are due from the grantors within one year.

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Furniture and equipment	\$ 268,226	\$ 243,954
Leasehold improvements	<u>82,407</u>	<u>82,407</u>
	350,633	326,361
Accumulated depreciation	<u>(244,843)</u>	<u>(206,878)</u>
	<u>\$ 105,790</u>	<u>\$ 119,483</u>

6. LINE OF CREDIT

The Organization has \$100,000 of available borrowings under a line of credit agreement with a bank, which is due on demand and has no maturity date. Borrowings under this facility are unsecured and bear interest at the bank's prime lending rate plus 1.0% (4.25% at December 31, 2021) with a floor of 5%. There were no outstanding borrowings on the line of credit at December 31, 2021 and 2020.

7. RETIREMENT PLAN

The Organization has a SIMPLE IRA plan which covers all eligible employees who meet the eligibility requirements. The amount of contributions by the Organization to the plan is determined by the Board of Directors and may vary from 0% to 3% of eligible compensation. The Organization contributed \$11,904 and \$12,479 to the plan for the years ended December 31, 2021 and 2020, respectively.

**THE HENDRICKS COUNTY CHILD ADVOCACY CENTER, INC.
D/B/A
SUSIE'S PLACE**

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

8. OPERATING LEASES

The Organization leases office space under the terms of operating leases requiring monthly payments aggregating \$11,761 at December 31, 2021, which expire at various dates through July 2028. One of the facilities leased has provided donated rent over the term of the lease, which expired December 31, 2021, and was renewed under a new lease agreement, effective January 1, 2022, which includes donated rent estimated to have a fair value of \$3,000 per month. Accordingly, fair value of the donated rent portion of the lease for the years ended December 31, 2021 and 2020 was \$36,000. Additionally, in connection with the new lease agreement executed during 2021 and effective January 1, 2022 and expiring in July 2023, the Organization recorded \$57,000 of in-kind rent, which was recorded and reported within donor restricted revenue and support in the Statement of Activities and Changes in Net Assets for the year ended December 31, 2021 and represents the value of the donated rent over the new lease term.

The amount charged to rent expense, including the in-kind rent discussed above, was \$72,000 for each of the years ended December 31, 2021 and 2020. The deferred rent contributions representing future rent expense is reported as an asset and donor restricted net assets on the Statements of Financial Position at an estimated fair value of \$57,000 and \$36,000 at December 31, 2021 and 2020, respectively. Total lease expense for all leases was \$161,643 and \$153,883 for the years ended December 31, 2021 and 2020, respectively.

Future minimum annual lease payments due under the terms of the leases at December 31, 2021 are as follows:

Year Ending December 31,	
2022	\$ 138,476
2023	89,458
2024	66,301
2025	67,330
2026	68,359
Thereafter	<u>110,216</u>
	<u>\$ 540,140</u>

**THE HENDRICKS COUNTY CHILD ADVOCACY CENTER, INC.
D/B/A
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

9. PAYCHECK PROTECTION PROGRAM FUNDING

During April 2020, the Organization borrowed \$137,100 from a bank under the U.S. Small Business Administration's ("SBA") Paycheck Protection Program ("PPP"). Under the terms of the program, the loan was forgivable if the Organization met the forgiveness conditions. On April 8, 2021, the SBA approved full forgiveness for the principal loan amount of \$137,100 plus accrued interest of \$1,311. As all conditions were met as of December 31, 2020, the forgiveness of \$138,411 was recognized as a contribution for the year ended December 31, 2020, as reflected in the accompanying financial statements.

10. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
Facility improvements	\$ 20,000	\$ -0-
Sleep masks, toys, and transportation assistance	<u>-0-</u>	<u>5,000</u>
	20,000	5,000
Subject to passage of time:		
In-kind deferred rent	<u>57,000</u>	<u>36,000</u>
	<u>\$ 77,000</u>	<u>\$ 41,000</u>

Net assets released from donor restrictions due to the satisfaction of donor-imposed restrictions aggregated \$41,000 and \$56,000 for the years ended December 31, 2021 and 2020, respectively. The assets were used for program expenses and operations as stipulated by the donors.

THE HENDRICKS COUNTY CHILD ADVOCACY CENTER, INC.
D/B/A
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

11. CONCENTRATION OF CREDIT RISK

Cash and Cash Equivalents

The Organization maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed Federally insured limits. The Organization has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

Grants Receivable and Revenue and Support

At December 31, 2021, 100% of grants receivable were from two (2) donors and 86% of accounts receivable was from one (1) source. For the year ended December 31, 2021, 54% of the Organization's revenue and support were from two (2) grantors.

At December 31, 2020 and for the year then ended, 94% of grants receivable and 55% of the Organization's revenue and support were from two (2) grantors.

12. RESTATEMENT OF 2020 FINANCIAL STATEMENTS

During 2021, the Organization identified an error in the application of U.S. GAAP in the previously issued financial statements requiring a correction of the error resulting in an adjustment to increase grants receivable and revenue and support by \$37,493 for expenses incurred prior to December 31, 2020 on cost reimbursement grants. The correction of this error resulted in an increase of \$37,493 in grants receivable, total assets, and total net assets as of December 31, 2020, and increased revenues and support by \$37,493 for the year then ended.

SUPPLEMENTARY INFORMATION

**THE HENDRICKS COUNTY CHILD ADVOCACY CENTER, INC.
D/B/A
SUSIE'S PLACE**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2021

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass Through Entity ID Number	Total Federal Expenditures
Department of Justice:			
State of Indiana, Indiana Criminal Justice Institute:			
Victims of Crime Act	16.575		\$ 438,828
Victims of Crime Act - Special Project	16.575		<u>19,910</u>
Total Victims of Crime Act	16.575		<u>458,738</u>
Department of Health and Human Services:			
State of Indiana - Department of Child Services			
State of Indiana Child Advocacy	93.667		<u>317,354</u>
Total Expenditures of Federal Awards			<u><u>\$ 776,092</u></u>

See Notes to the Schedule of Expenditures and Federal Awards.

**THE HENDRICKS COUNTY CHILD ADVOCACY CENTER, INC.
D/B/A
SUSIE'S PLACE**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2021

Note 1: Basis of Presentation

This schedule includes the Federal awards activity of the Organization and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Note 2: Summary of Significant Accounting Policies

Accrual basis: Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain expenditures are not allowable or are limited as to reimbursement.

Indirect cost rate: The Organization has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Pass-through identifying numbers: Pass-through entity identifying numbers are presented where available.

Note 3: Subrecipients

Of the Federal expenditures presented in the schedule, the Organization did not provide Federal awards to subrecipients.



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

Board of Directors
The Hendricks County Child Advocacy Center, Inc.
d/b/a Susie's Place

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 The Hendricks County Child Advocacy Center, Inc. d/b/a Susie's Place (the "Organization"), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 31, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing 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. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

Report on 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 financial statements. 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*.

The Hendricks County Child Advocacy Center, Inc. d/b/a Susie's Place's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



Indianapolis, Indiana
August 31, 2022



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

Board of Directors
The Hendricks County Child Advocacy Center, Inc.
d/b/a Susie's Place

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The Hendricks County Child Advocacy Center, Inc. d/b/a Susie's Place (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major Federal programs for the year ended December 31, 2021. The Organization's major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major Federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's Federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major Federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis.

A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "A. M. Graf CPA". The signature is written in a cursive style.

Indianapolis, Indiana
August 31, 2022

**THE HENDRICKS COUNTY CHILD ADVOCACY CENTER, INC.
D/B/A
SUSIE'S PLACE**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2021

Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
16.575	Victims of Crime Act (VOCA)
93.667	Social Services Block Grant

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

**THE HENDRICKS COUNTY CHILD ADVOCACY CENTER, INC.
D/B/A
SUSIE'S PLACE**

CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2021

Findings Required to be Reported by Government Auditing Standards

Finding 2021-001: Financial statement audit; Inadequate internal controls over revenue recognition

Type of Finding: Material Weakness

Criteria: During the current year audit, material adjustments were recorded to recognize grants receivable and revenues associated with cost reimbursement grants resulting in the restatement of the 2020 previously issued financial statements and the recognition of grants receivable and revenues as of December 31, 2021 and for the year then ended in accordance with U.S. GAAP.

Condition: The Organization was unable to identify the proper period to recognize grant revenue.

Cause: Internal controls over the recognition of grant revenue were inadequate to ensure grants revenue was reported in the proper period.

Effect: Material adjustments were recorded to the December 31, 2021 financial statements, additionally, the financial statements as of and for the year ended December 31, 2020 were restated resulting in an increase in grant receivables, revenue, total assets and total net assets.

Recommendation: Management should review all grant agreements and related notifications, contracts signed, and costs incurred under cost reimbursement grants with emphasis on timing of revenue recognition under U.S. GAAP to ensure all revenues are recorded and reported in the period earned.

Views of Responsible Officials and Planned Corrective Actions: The Organization agrees with the finding and will adhere to the related corrective action plan on page 27 of this document.

Findings Required to be Reported by 2 CFR 200.516(a)

Reference Number	Finding	Questioned Costs
	None	

**THE HENDRICKS COUNTY CHILD ADVOCACY CENTER, INC.
D/B/A
SUSIE'S PLACE**

CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2021

Findings Required to be Reported by Government Auditing Standards

Finding 2021-001: Financial statement audit; Inadequate internal controls over revenue recognition.

Name of Contact Person: Emily E. Perry, MSW, LWS, Executive Director

Corrective Action: All grant agreements and related notifications, contracts signed, and costs incurred under cost reimbursement grants will be evaluated upon inception and evaluated on an ongoing basis to ensure all revenues are recorded and reported in the period earned.

Proposed Completion Date: The corrective action will be immediately implemented in response to the auditor's recommendation.