

Missouri Network of Child Advocacy Centers
d/b/a Missouri KidsFirst
December 31, 2020 and 2019
Financial Statements

Prepared by:
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Columbia, MO

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Erin L. Palmer, C.P.A., LLC

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Missouri Network of Child Advocacy Centers
d/b/a Missouri KidsFirst
Jefferson City, Missouri

I have audited the accompanying financial statements of Serve, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Missouri Network of Child Advocacy Centers d/b/a Missouri KidsFirst as of December 31, 2020 and 2019, 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.

Report on Summarized Comparative Information

The audit report for the year ended December 31, 2019 was completed by K Coe Isom, LLP of Columbia, MO, and an unmodified opinion was expressed in their report dated September 29, 2020. In my opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it had been derived.



Columbia, MO
September 9, 2021

Missouri Network of Child Advocacy Centers d/b/a Missouri KidsFirst
 Statements of Financial Position
 December 31, 2020 and 2019

	Assets	
	2020	2019
Current Assets		
Cash and Cash Equivalents	\$ 149,175	\$ 81,221
Certificate of Deposit	23,615	23,586
Grant Funds Receivable	245,579	207,757
Other Receivables	9,937	12,917
Prepaid Expenses	-	-
Total Current Assets	428,306	325,481
Property and Equipment		
Furniture and Equipment	31,826	20,096
Less: Accumulated Depreciation	(19,536)	(19,332)
Net Property and Equipment	12,290	764
Total Assets	\$ 440,596	\$ 326,245
	Liabilities and Net Assets	
Current Liabilities		
Accounts Payable	\$ 172,732	\$ 201,561
Accrued Expenses	14,712	11,600
Total Liabilities	187,444	213,161
Net Assets		
Net Assets without Donor Restrictions	253,152	113,084
Total Liabilities and Net Assets	\$ 440,596	\$ 326,245

The accompanying notes are an integral part of these financial statements

Missouri Network of Child Advocacy Centers d/b/a Missouri KidsFirst
 Statements of Activities
 For the Years Ended December 31, 2020 and 2019

	2020	2019
Support and Revenue without Donor Restrictions		
Grants - Federal, State, and Local	1,071,148	\$ 972,373
PPP Loan - forgiven	34,500	-
Donations	-	54
Fees	39,216	54,728
Fundraising	31,619	58,660
Interest Income	178	409
Other Income	3,235	5,220
Total Support and Revenue	1,179,896	1,091,444
Expenses		
Program Services		
General Program Services	877,663	941,850
Total Program Expenses	877,663	941,850
Supporting Services		
Administration	141,145	66,104
Fundraising	21,020	33,611
Total Supporting Expenses	162,165	99,715
Total Expenses	1,039,828	1,041,565
Increase (Decrease) in Net Assets without Donor Restrictions	140,068	49,879
Net Assets, Beginning of Year	113,084	63,205
Net Assets, End of Year	\$ 253,152	\$ 113,084

The accompanying notes are an integral part of these financial statements

Missouri Network of Child Advocacy Centers d/b/a Missouri KidsFirst
Statements of Functional Expenses
For the Years Ended December 31, 2020 and 2019

	2020			2019				
	Program Services	Supporting Services	Fundraising	Total	Program Services	Supporting Services	Fundraising	Total
Salaries	\$ 178,495	\$ 83,417	\$ 7,902	\$ 269,814	\$ 242,465	\$ 39,974	\$ 12,692	\$ 295,131
Employee Benefits	44,673	15,045	1,425	61,143	46,787	7,737	2,457	56,981
Contract Labor	553,272	1,874	-	555,146	462,579	-	-	462,579
Professional Fees	3,872	8,997	-	12,869	6,272	8,691	329	15,292
Printing and Publications	-	-	-	-	5,523	-	-	5,523
Bank Fees	-	1,000	-	1,000	-	1,012	-	1,012
Rent	-	14,400	-	14,400	10,774	1,781	566	13,121
Licenses and Permits	-	-	-	-	98	233	-	331
Supplies	2,532	343	11,693	14,568	12,597	1,191	17,372	31,160
Postage	16	243	-	259	-	205	-	205
Travel	4,838	2,600	-	7,438	15,364	-	74	15,438
Dues and Membership	3,662	745	-	4,407	3,125	1,040	-	4,165
Education and Staff Training	82,410	-	-	82,410	129,490	-	-	129,490
Insurance	-	2,493	-	2,493	-	2,351	-	2,351
Miscellaneous	516	1,001	-	1,517	2,168	855	-	3,023
Utilities	1,318	7,428	-	8,746	2,300	380	121	2,801
Lobbying	2,059	-	-	2,059	2,308	-	-	2,308
Depreciation and Amortization	-	1,559	-	1,559	-	654	-	654
Totals	\$ 877,663	\$ 141,145	\$ 21,020	\$ 1,039,828	\$ 941,850	\$ 66,104	\$ 33,611	\$ 1,041,565

The accompanying notes are an integral part of these financial statements

Missouri Network of Child Advocacy Centers d/b/a Missouri KidsFirst
 Statements of Cash Flows
 For the Years Ended December 31, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 140,068	\$ 49,879
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	204	654
Change in Assets and Liabilities		
Decrease (Increase) in Grant Funds Receivable	(37,822)	(120,276)
Decrease (Increase) in Accounts Receivable	2,980	(8,738)
Decrease (Increase) in Prepaid Expenses	-	29
Increase (Decrease) in Accounts Payable	(25,717)	(70,440)
Increase (Decrease) in Deferred Revenue	-	-
Total Adjustments	(60,355)	(198,771)
Net Cash Provided (Used) by Operating Activities	79,713	(148,892)
Cash Flows from Investing Activities		
Portfolio Reinvestments and Purchases	(29)	(35)
Purchases of Fixed Assets	(11,730)	-
Net Cash Provided (Used) by Investing Activities	(11,759)	(35)
Cash Flows from Financing Activities	-	-
Net Increase (Decrease) in Cash	67,954	(148,927)
Cash, Beginning of Year	81,221	230,148
Cash, End of Year	\$ 149,175	\$ 81,221

The accompanying notes are an integral part of these financial statements

Missouri Network of Child Advocacy Centers d/b/a Missouri KidsFirst
Notes To Financial Statements
December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Center:

Missouri Network of Child Advocacy Centers d/b/a Missouri KidsFirst (the Center) was established as a statewide network of individuals, programs, and organizations committed to protecting Missouri's children by improving the response to child victims and ending the cycle of abuse in Missouri communities. The goal of the organization is preventing, intervening, and treating child abuse and neglect to improve the quality of life for Missouri's children. Funding for the Center is provided under various state and federal grants and contracts and various donations from the community.

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, revenues are recognized when earned and expenses when incurred.

Basis of Presentation

The Center prepares financial statements in accordance with the Financial Accounting Standards Board (FASB) standards for not-for-profit organizations (ASU 958-205 and subsections). Under these standards the Center is required to report information regarding its financial position and activities according to two classes of net assets: Net Assets without Donor Restrictions and Net Assets with Donor Restrictions. The Center is also required to present a statement of cash flows.

Net Assets without Donor Restrictions

Net Assets without Donor Restrictions are not subject to donor-imposed stipulations. Revenues are reported as net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in the appropriate net asset classification. Board-designated funds are classified as net assets without donor restrictions.

Net Assets with Donor Restrictions

Net Assets with Donor Restrictions are subject to donor-imposed stipulations. Generally, the donors of these assets permit an organization to use all or part of the income earned on related investments for general or specific purposes.

All expenses are reported in the net assets without donor restrictions class. As restrictions are met, reclassifications are made to move net assets from the net assets with donor restrictions class to the net assets without donor restrictions class so that expenditures may be made within that asset class, as required by accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

The Center considers all investments with an original maturity of three months or less to cash equivalents for the purpose of that statement of cash flows.

Missouri Network of Child Advocacy Centers d/b/a Missouri KidsFirst
Notes To Financial Statements
December 31, 2020

Note 1: Summary of Significant Accounting Policies (continued)

Income Taxes

The Center is tax exempt from federal income tax under 501(c) (3) of the Internal Revenue Code as a charitable organization, whereby only unrelated business income, as defined by Section 509(a) (1) of the Code, is subject to federal income tax. The center is also exempt from state income taxes. Currently, the Center has no obligation for unrelated business income tax, and accordingly, no provision for income taxes has been accrued.

The Center's Forms 990, Return of Organization Exempt from Income Tax, for the years ended 2017, 2018, and 2019 are subject to examination by the IRS, generally for three years after filing.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional Expenses

The costs of the providing the 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.

Fixed Assets and Depreciation

The Center follows the practice of capitalizing all expenses for land, buildings, and equipment in excess of \$1,000 and having a useful life over one year. Donated assets are capitalized at fair value and purchased assets are recorded at cost. Depreciation is provided over the estimated useful lives of the assets on the double-declining and straight-line methods. Furnitures, fixtures, and equipment have an estimated useful life of 5 to 7 years.

Advertising

Costs for advertising are expensed as incurred.

Contributions and Other Support

Gifts of cash and other assets received without donor stipulations are reported as unrestricted revenue and net assets. Gifts received with a donor stipulation that limits their use are reported as restricted revenue and net assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Gifts that are originally restricted by the donor and for the which the restriction is met in the same time period are recorded as net assets with donor restriction and then released from restriction.

Missouri Network of Child Advocacy Centers d/b/a Missouri KidsFirst
Notes To Financial Statements
December 31, 2020

Note 1: Summary of Significant Accounting Policies (continued)

Donated Materials and Services

Donated materials and services are stated at fair value and are recorded as contributions if certain conditions are met. An offsetting expense is recorded to reflect the nature of the related expense.

Bad Debts

Bad Debts are charged-off using the direct write-off method whereby individual accounts are charged to expense after it becomes apparent that an account is uncollectible. Substantially all accounts receivable are from governmental sources and management does not consider an allowance for doubtful accounts necessary.

Deferred Revenue

Income from grants, membership dues, and evaluations are deferred and recognized over the periods to which they relate.

Compensated Absences

Personal Time Off (PTO) is considered an expense in the year paid. Such amounts unused that are vested in the employee are payable upon termination at the employee's hourly rate.

Date of Management Review

Management has evaluated subsequent events through September 9, 2021 the date the financial statements were available to be issued.

NOTE 2: CASH AND INVESTMENTS

Cash, savings, and certificates of deposit held by the Center are stated at fair value. Cash and the certificate of Deposit consists of accounts held at a local bank.

The Center's deposits were fully insured by FDIC insurance as of December 31, 2020 and 2019.

NOTE 3: COMPENSATED ABSENCES

A liability for compensated absences consists of personal time off (PTO) earned by the Center's personnel. The policy allows personnel to earn varying rates of PTO per year based on length of service with the Center. A maximum of 160 hours may be carried from one calendar year to the next. Upon termination, individuals are compensated at their hourly rate for all accumulated PTO, up to a maximum of 160 hours. At December 31, 2020 and 2019, the maximum liability was \$14,712 and \$11,600, respectively.

Missouri Network of Child Advocacy Centers d/b/a Missouri KidsFirst
Notes To Financial Statements
December 31, 2020

NOTE 4: LEASE

The Center has an operating lease for office space. Total lease expense for the years ended December 31, 2020 and 2019 totaled \$14,400 and \$13,200, respectively. The Center is currently paying rent of \$1,200 per month, on a month-to-month basis.

NOTE 5: SIGNIFICANT CONCENTRATIONS

The Center receives a large percentage of its funding from grants made available to the Center through the federal and state governments. Should those funds not be available at some future time, the impact upon the Center would be substantial.

NOTE 6: COVID – 19 FINANCIAL REPORTING AND DISCLOSURES

On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic. As a result, economic uncertainties may have a negative impact on our ability to provide all services at the current level, which may in turn affect net income.

During the year ended December 31, 2020, the Center applied for a loan through the Small Business Administration for COVID relief. The Center was granted \$34,500 in COVID relief on April 15, 2020. On December 21, 2020, the Center was granted forgiveness for the full amount of \$34,500, which was then recorded as income.

NOTE 7: SUBSEQUENT EVENTS, COMMITMENTS, AND CONTINGENCIES

The preparation of financial statements in conformity with generally accepted accounting principles requires a review of subsequent events which would result in disclosure of events materially impacting these financial statements. Subsequent events have been evaluated through September 9, 2021, the date the financial statements were issued.

The Center has received federal and state awards for specific purposes that are subject to review and audit. These reviews and audits could lead to requests for reimbursement or to withholding of future awards for disallowed expenditures or other noncompliance with the terms of the awards.

The Center does not believe there are any material uncertain tax positions and accordingly, no tax liability has been recorded.

The Center applied for a second loan through the SBA subsequent to the year ended December 31, 2020. They were granted the second loan on January 25, 2021 in the amount of \$53,544. They were granted forgiveness for the second loan on July 10, 2021. The second loan will be recorded as income on the next years' financial statements.

Erin L. Palmer, C.P.A., LLC

COMMUNICATION TO THOSE CHARGED WITH GOVERNANCE

**Missouri Network of Child Advocacy Centers
d/b/a Missouri KidsFirst**

December 31, 2020

Erin L. Palmer, CPA, LLC
9 West Blvd. N
Columbia, MO 65203

Erin L. Palmer, C.P.A., LLC

September 9, 2021

To the Board of Directors of
Missouri Network of Child Advocacy Centers
d/b/a Missouri KidsFirst
Jefferson City, MO

I have audited the financial statements of Missouri Network of Child Advocacy Centers d/b/a Missouri KidsFirst for the years ended December 31, 2020 and 2019, and have issued my report thereon dated September 9, 2021. Professional standards require that I provide you with information about my responsibilities under generally accepted auditing standards, as well as certain information related to the scope and timing of my audit. I have communicated such information in my letter to you dated September 9, 2021. Professional standards also require that I communicate to the following information related to my audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Missouri Network of Child Advocacy Centers d/b/a Missouri KidsFirst are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. I noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were: Management's estimate of grant income from federal and state sources. I evaluated the key factors and assumptions used to develop grant income from federal and state sources in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. The most sensitive disclosure affecting the financial statements was the prior period adjustment.

The financial statements disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

I encountered no significant difficulties in dealing with management in performing and completing my audit.

Erin L. Palmer, C.P.A., LLC

Corrected and Uncorrected Misstatements

Professional standards require me to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole. I proposed \$16,270.99 of adjustments, which were reviewed, accepted, and posted by Management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to my satisfaction, that could be significant to the financial statements or the auditor's report. I am pleased to report that no such disagreements arose during the course of the audit.

Management Representations

I have requested certain representations from management that are included in the management representation letter dated September 9, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, my professional standards require the consulting accountant to check with me to determine that the consultant has all the relevant facts. To my knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

I generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of my professional relationship and my responses were not a condition to my retention.

I wish to thank Serve, Inc.'s personnel for their assistance during the course of my audit. I will be pleased to discuss these or any other matters at your convenience. This information is intended solely for the use of the Board of Directors and management of Missouri Network of Child Advocacy Centers d/b/a Missouri KidsFirst and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Erin L. Palmer, CPA, LLC
Columbia, MO