

**CARE HOUSE, INC.
BALDWIN COUNTY CHILD AEOVOCACY CENTER**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

**CARE HOUSE, INC.
BALDWIN COUNTY CHILD ADVOCACY CENTER**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

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INDEPENDENT AUDITORS' REPORT

Board of Directors
CARE House, Inc dba Baldwin County Child Advocacy Center
Brewton, Alabama

We have audited the accompanying financial statements of CARE House, Inc. which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, functional expenses and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the CARE House, Inc. as of September 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Avizo Group, Inc.

Certified Public Accountants

June 27, 2022
Brewton, Alabama

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shareholders J. Earl Blackmon, CPA • Dennis E. Sherrin, CPA • Rachel G. Young, CPA • G. Allen Cave, Jr., CPA
of counsel Xavier A. Hartmann, III, CPA • Rucker T. Taylor, III, CPA • Sally S. Wagner, CPA

**CARE HOUSE, INC.
BALDWIN COUNTY CHILD ADVOCACY CENTER**

STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2021

ASSETS

CURRENT ASSETS	
Cash	\$ 283,001
Investments	360,351
Receivables	29,116
Prepaid expenses	7,079
Total current assets	<u>679,547</u>
CAPITAL ASSETS	
Land	83,700
Buildings and improvements	678,955
Furniture and fixtures	21,907
Equipment	148,021
Less accumulated depreciation	(371,740)
Capital assets - net	<u>560,843</u>
OTHER ASSETS	
Restricted building funds	72,629
Utility deposits	10
Total other assets	<u>72,639</u>
TOTAL ASSETS	<u><u>\$ 1,313,029</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accrued liabilities	\$ 15,089
Total current liabilities	<u>15,089</u>
NET ASSETS	
With donor restrictions	72,629
Without donor restrictions	1,225,311
Total net assets	<u>1,297,940</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,313,029</u></u>

See independent auditors' report and notes to the financial statements.

**CARE HOUSE, INC
BALDWIN COUNTY CHILD ADVOCACY CENTER**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2021

SUPPORT AND REVENUE:

Support:

Government support - State of Alabama	\$ 203,905
Baldwin County Commission	58,934
Contributions and donations	272,788
Fundraising and miscellaneous	84,458
Refunds and reimbursements	15,703
Programs	16,480
Paycheck protection loan income	83,780
Interest and dividends	209

TOTAL SUPPORT AND REVENUE

736,257

EXPENSES:

Program services:

CARE House, Inc.	620,016
Total program services	<u>620,016</u>

Change in net assets 116,241

Net assets, beginning of year 1,181,699

NET ASSETS, END OF YEAR \$ 1,297,940

See independent auditors' report and notes to the financial statements.

**CARE HOUSE, INC
BALDWIN COUNTY CHILD ADVOCACY CENTER**

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YER ENDED SEPTEMBER 30, 2021**

	Program Services
	<u>Baldwin County Child Advocacy</u>
Depreciation	\$ 20,322
Dues and subscriptions	4,829
Fundraising expenses	10,446
Insurance	34,604
Miscellaneous	496
Payroll benefits	36,115
Postage and shipping	1,136
Professional fees	55,998
Public relations	5,090
Repairs and maintenance	7,777
Salaries	376,938
Supplies	12,211
Taxes	28,575
Training	8,275
Travel	3,920
Utilities and telephone	13,284
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Total expenses	<u>\$ 620,016</u>

See independent auditors' report and notes to the financial statements.

**CARE HOUSE, INC
BALDWIN COUNTY CHILD ADVOCACY CENTER**

STATEMENT OF CASH FLOWS

FOR THE YER ENDED SEPTEMBER 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 116,241
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	20,322
Forgiveness of PPP loan	(83,780)
Decrease (Increase) in accounts receivable	(7,635)
Decrease (Increase) in prepaid expenses	2,877
Decrease in accounts payable	(9,428)
Decrease in accrued payroll taxes	8,206
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>46,803</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of equipment	(16,183)
NET CASH USED BY INVESTING ACTIVITIES	<u>(16,183)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	30,620
CASH AND CASH EQUIVALENTS	
Beginning of year	<u>612,732</u>
End of year	<u>\$ 643,352</u>

See independent auditors' report and notes to the financial statements

**CARE HOUSE, INC
BALDWIN COUNTY CHILD ADVOCACY CENTER**

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Care House, Inc. (the Center) is a nonprofit corporation incorporated under the laws of the State of Alabama on September 17, 1986. Its mission statement indicates it is to provide resources and services to child victims of sex abuse and severe physical abuse, their supportive family members and the community-- while empowering all toward child abuse prevention. Care House, Inc. is Baldwin County's resource and referral source on child abuse. It is a child-friendly facility for joint team investigation of child sexual abuse and severe physical abuse. Individual and group in-house counseling is provided for child victims and their supportive family members, as well as other specialized education and prevention programs and counseling services available for the community, the school system, and individual families.

Basis of Accounting

The Center's policy is to prepare its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Center maintains bank accounts at several banks. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. There is not any individual cash account that exceeded the federal insured limits in the fiscal year. The Center has a substantial amount of its cash invested in Certificates of Deposit. The Center considers these investments as cash equivalents due to their high liquidity and current maturity.

Cash Investments

Cash investments are composed of general savings accounts and money market accounts and as such are readily available. These type accounts are carried at cost plus earned interest and the interest income is recorded in the period earned.

Contributions

The Center receives contributions and donations primarily from foundations in the South Alabama area and the Alabama Network of Children's Advocacy Centers. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. The Center has \$72,629 in donor/board restricted funds/net assets for the year ending September 30, 2021 for the building fund.

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CARE HOUSE, INC
BALDWIN COUNTY CHILD ADVOCACY CENTER

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed Services

The Center receives a substantial amount of services donated by its members in carrying out its administration and services. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under ASU Topic 958.

Capital Assets

Furniture and equipment items are carried at cost. Depreciation is computed on a straight-line basis over the useful lives of the assets. Estimated depreciable lives are 5-10 years for furniture, fixtures, and equipment and 31-39 years for buildings. The net capital asset balance has been recorded as a separate component in unrestricted net assets.

Functional Expenses

Expenses are charged to each program based on direct expenditures incurred.

Income Taxes

The Center is exempt from income tax pursuant to Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying financial statements. The income tax filings are subject to examination by taxing authorities, generally for three years after they are filed.

Simple Deferred Compensation Pension Plan

As described in the Center employee benefits booklet, the Center offers a "Simple" pension plan arrangement for its employees. Employees may contribute up to \$12,500 of his/her salary toward the plan. The Center will match up to 3% of the employee's salary. Changes to or withdrawals from the plan may only be made annually during the employee anniversary month.

Compensated Absences

The Center employees are entitled to paid vacation, paid sick days and personal days off, depending on length of service and other factors. It is impracticable to estimate the amount of compensation for future absences; accordingly, no liability has been recorded in the accompanying financial statements. The Center's policy is to recognize the costs of compensated absences when actually paid to employees.

Basis of Presentation

The Center reports 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.

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**CARE HOUSE, INC
BALDWIN COUNTY CHILD ADVOCACY CENTER**

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets without donor restrictions - These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program related services, raising contributions, and performing administrative functions.

Net Assets with donor restrictions - These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted.

The Center had net assets with board restrictions at September 30, 2021 of \$72,629.

NOTE 2 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Center's cash flows come from revenues generated from grants, donations, and fundraisers. The Center is expected to have sufficient funds to meet cash needs for current general expenditures. The Center uses any investment earnings that are without donor restrictions to supplement revenue in providing cash flows to meet general expenditures.

The following represents the Center's financial assets at September 30, 2021.

Financial assets and year end	
Cash and cash equivalents	\$ 643,352
Restricted cash	72,629
Grants receivable	<u>29,116</u>
Total financial assets	<u>745,097</u>
Less - amounts not available to be used within one year:	
Net assets with donor/board restrictions	<u>(72,629)</u>
Total financial assets available to meet cash needs for general expenditure within the next 12 months	<u>\$ 672,468</u>

NOTE 3 SUBSEQUENT EVENTS

The Center has evaluated subsequent events through June 27, 2022, the date which the financial statements were available to be issued. There were no material subsequent events which require disclosure at September 30, 2021.