

CARE HOUSE

Baldwin County Child Advocacy Center

Financial Statements

September 30, 2019

Care House, Inc.

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Independent Auditor's Report



Allen, Allen & Foster, LLP

Certified Public Accountants & Consultants

INDEPENDENT AUDITORS REPORT

To the Board of Directors of
Care House, Inc.
Bay Minette, Alabama 36507

Report on the Financial Statements

We have audited the accompanying financial statements of Care House, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2019 and the related statements of activities 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.

Auditor's 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 Care House, Inc. as of September 30, 2019 and the changes in its assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Allen, Allen & Foster, LLP

Daphne, Alabama
August 6, 2020

Financial Statements

Care House, Inc.
Statement of Financial Position
September 30, 2019

Assets

Current Assets

Cash and Cash Equivalents	\$188,564
Investments -CD's/MM's	\$328,163
Funds Receivable	\$48,100
Prepaid Expenses	\$8,732
	\$573,559

Total Cash & Current Assets **\$573,559**

Property and Equipment

Furniture & Fixtures	\$21,907
Equipment	\$140,661
Land	\$83,700
Building and Improvements	\$662,772
	\$909,040
Less: Accumulated Depreciation	(\$329,747)

Net Property and Equipment **\$579,293**

Other Assets

Restricted Building Funds	\$72,593
Utility Deposits	\$10
	\$72,603

Net Other Assets **\$72,603**

Total Assets **\$1,225,455**

Liabilities and Net Assets

Liabilities

Accounts Payable	\$18,656
Payroll Taxes Payable	\$7,190
	\$25,846

Total Liabilities **\$25,846**

Net Assets

With Board and/or Donor Restrictions	\$72,593
Without Donor Restrictions	\$1,127,016
	\$1,199,609

Total Net Assets **\$1,199,609**

Total Liabilities and Net Assets **\$1,225,455**

Care House, Inc.
Statement of Activities and Changes In Net Assets
For the year ended September 30, 2019

Support and Revenues	<u>Unrestricted</u>
Government Support - State of Alabama	\$220,657
Baldwin County Commission	\$55,121
Public Donations	\$104,018
Fundraising and Miscellaneous	\$81,128
Grants	\$173,777
Refunds & Reimbursements	\$4,262
Programs	\$31,352
Interest	\$1,944
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Total Support and Revenues	\$672,260
Expenses	
Personnel Costs	\$376,549
Employee Benefits	\$29,575
Travel Expense	\$4,146
Repairs and Maintenance	\$12,082
Utilities and Communication	\$13,948
Professional Services & Training	\$68,082
Fundraising Expense	\$11,018
Materials, Supplies, and Operating Expense	\$74,016
Depreciation	\$20,587
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Total Expenses	\$610,003
Excess of Support and Revenues Over Expenses	\$62,257
Restricted Revenue - Building Funds	\$83,710
Net Assets - Beginning of Year	<hr/> \$1,053,642
Net Assets - End of Year	<u><u>\$1,199,609</u></u>

The accompanying notes are an integral part of these financial statements

Care House, Inc.
Statement of Cash Flows
For the year ended September 30, 2019

Net Excess Revenues (Expenses)	\$62,257
Adjustments to Reconcile Net Excess Revenue (Expenses) to Net Cash Provided by Operating Activities.	
Depreciation & Amortization Expense	\$20,587
Cash Provided from Interest Earned on Deposits	(\$1,944)
Net Change in Prepaid Insurance	(\$1,823)
Net Change in Funds Receivable	(\$30,370)
Net Change in Accounts Payable & PR Tax Liability	\$12,028
Total Adjustments	(\$1,522)
Net Cash Provided by Operating Activities	\$60,735
<u>Cash Flows From Investing Activities</u>	
Cash Used for Capital Expenditures	(\$137,304)
Cash Earned as Interest on Deposits	\$1,944
Net Cash Provided By Investing Activities	(\$135,360)
<u>Cash Flows From Financing/Special Activities</u>	
Cash Received to Restricted Building Fund	\$83,710
Net Change In Restricted Funds Asset Account	\$53,594
Net Cash Provided By Special Activities	\$137,304
Net Current Cash Change	\$62,680
Beginning Cash & Investments Balance	\$454,048
Ending Cash & Investments Balance	\$516,728
<i>Operating Funds</i>	<i>\$188,564</i>
<i>Investment Funds</i>	<i>\$328,163</i>
<i>Total</i>	<i>\$516,727</i>
*Restricted Cash Balance	\$72,593

The accompanying notes are an integral part of these financial statements

Notes to the Financial Statements

Care House, Inc.
Notes to Financial Statements
September 30, 2019

Note 1 - Organization, Mission, and Purpose

Care House, Inc. 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.

Note 2 - Summary of Significant Accounting Policies

Accounting Method. The financial statements are prepared on the accrual basis of accounting. This method is in accordance with generally accepted accounting principles. The accrual basis of accounting recognizes revenue when earned rather than when paid and subsequently recognizes expenses when incurred rather than when paid. Use of the accrual method of accounting creates accounts for receivables, prepaids, and payables.

Tax Exempt Status. Care House, Inc. is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code. A form 990 is filed annually.

Cash and Cash Equivalents. Care House, Inc. considers all highly liquid investments with maturity of one year or less when purchased to be cash equivalents.

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.

Recognition of assets and depreciation policy. Donated land is recorded at its appraised value on the date of donation. The donated building is recorded at its appraised value on the date of donation plus the purchase cost of improvements and additions. Purchased land and buildings are recorded at cost. Depreciation is charged to income over the estimated useful lives of the assets using accelerated and straight-line methods. Estimated useful lives are 31 - 39 years for buildings and 5 - 10 years for furniture, fixtures, and equipment.

Care House, Inc.
Notes to Financial Statements
September 30, 2019

Simple Deferred Compensation Pension Plan - As described in the Care House employee benefits booklet – Care House offers a “Simple” pension plan arrangement for its employees. Employees may contribute up to \$12,500 of his/her salary toward the plan. Care House 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.

Contributions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated or restricted by the donor are reported on the statement of financial position indicating with donor restrictions or without donor restrictions. When the restrictions expire or are used as designated the restricted assets are reclassified. Care House, Inc. received \$83,710 in donor restricted funds/net assets for the year ending September 30, 2019 for the building fund.

Contributed Services. Care House, Inc. 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 SFAS.

Compensated Absences

Care House, Inc. 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. Care House, Inc.’s policy is to recognize the costs of compensated absences when actually paid to employees.

Financial Statement Presentation

Care House, Inc. follows Statement of Financial Accounting Standards (SFAS) No. 117 “Financial Statements of Not-for-Profit Organizations.” Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets. In addition, Care House, Inc. is required to present a statement of cash flows. Care House, Inc. has classified its financial statements to present the one class of net assets applicable to it, as required.

Care House, Inc.
Notes to Financial Statements
September 30, 2019

Management's Evaluation of Subsequent Events

Management has evaluated subsequent events through August 6, 2020, the date the financial statements were available to be issued.

Note 3 - Major Supporter

The State of Alabama (Includes ADECA) provided 31% of Care House, Inc.'s total support and revenues for the year ended September 30, 2019 (excluding Donor Restricted Funds) . Any reduction in this support may have an adverse effect on the operations of Care House, Inc.

Note 4 - Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 5 – Availability and Liquidity

The following represents Care House's financial assets at September 30, 2019.

Financial assets at year-end:

Cash & Cash Equivalents	\$ 516,727
Restricted Cash	\$ 72,593
Accounts Receivable and Prepaids	<u>\$ 56,832</u>
Total Financial Assets	\$ 646,152

Less – Amounts not available to be used within one year:

Net Assets with Donor/Board Restrictions \$ (72,593)

Financial assets available to meet general expenditures

Over the next twelve months **\$ 573,559**

See Independent Auditor's Report