

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

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022**

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

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**SEPTEMBER 30, 2022**

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In performing an audit in accordance with generally accepted 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 CARE House, Inc.'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 CARE House, Inc.'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.

*Avizo Group, Inc.*

Certified Public Accountants

July 10, 2023  
Brewton, Alabama

CARE HOUSE, INC.  
BALDWIN COUNTY CHILD ADVOCACY CENTER

STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2022

ASSETS

CURRENT ASSETS

Cash	\$ 309,159
Investments	373,798
Receivables	1,135
Prepaid expenses	7,079
Total current assets	<u>691,171</u>

CAPITAL ASSETS

Land	83,700
Buildings and improvements	678,955
Furniture and fixtures	21,907
Equipment	148,021
Less accumulated depreciation	<u>(391,807)</u>
Capital assets - net	<u>540,776</u>

OTHER ASSETS

Restricted building funds	72,766
Utility deposits	10
Total other assets	<u>72,776</u>

**TOTAL ASSETS**

**\$ 1,304,723**

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accrued liabilities	\$ 12,314
Total current liabilities	<u>12,314</u>

NET ASSETS

With donor restrictions	72,766
Without donor restrictions	1,219,643
Total net assets	<u>1,292,409</u>

**TOTAL LIABILITIES AND NET ASSETS**

**\$ 1,304,723**

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, 2022**

**SUPPORT AND REVENUE:**

Support:

Government support - State of Alabama	\$ 194,834
Baldwin County Commission	57,957
Contributions and donations	251,046
Fundraising and miscellaneous	53,913
Refunds and reimbursements	24,126
Programs	21,130
Interest and dividends	494

**TOTAL SUPPORT AND REVENUE** 603,500

**EXPENSES:**

Program services:

CARE House, Inc.	<u>609,031</u>
Total program services	<u>609,031</u>

Change in net assets (5,531)

Net assets, beginning of year 1,297,940

**NET ASSETS, END OF YEAR** \$ 1,292,409

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

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

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Program Services</b>
	<b>Baldwin County Child Advocacy</b>
Depreciation	\$ 20,067
Dues and subscriptions	1,696
Fundraising expenses	9,701
Insurance	28,043
Miscellaneous	59
Payroll benefits	24,450
Postage and shipping	1,510
Professional fees	49,760
Public relations	5,098
Repairs and maintenance	7,960
Salaries	393,447
Supplies	14,134
Taxes	30,063
Training	7,054
Travel	2,091
Utilities and telephone	13,898
Total expenses	<b>\$ 609,031</b>

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

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

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ (5,531)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	20,067
Decrease in accounts receivable	27,981
Decrease in accrued payroll taxes	(2,775)

**NET CASH PROVIDED BY OPERATING ACTIVITIES**

39,742

**INCREASE IN CASH AND CASH EQUIVALENTS**

39,742

**CASH AND CASH EQUIVALENTS**

Beginning of year	<u>715,981</u>
End of year	<u>\$ 755,723</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, 2022**

**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 \$72,766 in donor/board restricted funds/net assets for the year ending September 30, 2022 for the building fund.

(continued)



CARE HOUSE, INC  
BALDWIN COUNTY CHILD ADVOCACY CENTER

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

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, 2022**

**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, 2022 of \$72,766.

Recently issued and adopted accounting standards

FASB ASU 2016-02, Leases, was issued to improve the consistency of accounting and financial reporting for leases by not for profit organizations by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of FASB ASU 2016-02 are effective for the fiscal year 2022. The Center has evaluated the impact that this statement has on its financial statements and has determined there is no effect.

**NOTE 2 SUBSEQUENT EVENTS**

The Center has evaluated subsequent events through July 10, 2023, the date which the financial statements were available to be issued. There were no material subsequent events which require disclosure at September 30, 2022.

**NOTE 3 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.

(continued)

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

**NOTES TO THE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022**

**NOTE 3 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (continued)**

The following represents the Center's financial assets at September 30, 2022.

Financial assets and year end	
Cash and cash equivalents	\$ 682,957
Restricted cash	72,766
Grants receivable	<u>1,135</u>
Total financial assets	<u>756,858</u>
Less - amounts not available to be used within one year:	
Net assets with donor/board restrictions	<u>(72,766)</u>
Total financial assets available to meet cash needs for general expenditure within the next 12 months	<u><u>\$ 684,092</u></u>