

CARE HOUSE
Baldwin County Child Advocacy Center

Financial Statements
September 30, 2017

Care House, Inc.

Table of Contents

Independent Auditor's Report	1
Financial Statements	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4-5
Notes to Financial Statements	6-8

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, 2017 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.

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American Institute of CPA's • Alabama Society of CPA's • Community Associations Institute
Association of Professionals In Business Management

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, 2017 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
September 15, 2018

Financial Statements

Care House, Inc.
Statement of Financial Position
September 30, 2017

Assets	
Current Assets	
Cash and Cash Equivalents	\$276,600
Investments -CD's/MM's	\$273,775
Funds Receivable	\$26,734
Prepaid Expenses	<u>\$6,180</u>
Total Cash & Current Assets	\$583,288
Property and Equipment	
Furniture & Fixtures	\$21,907
Equipment	\$140,661
Land	\$83,700
Building and Improvements	<u>\$403,560</u>
	\$649,828
Less: Accumulated Depreciation	<u>(\$297,105)</u>
Net Property and Equipment	\$352,723
Other Assets	
Restricted Building Funds	\$42,500
Utility Deposits	<u>\$10</u>
Net Other Assets	<u>\$42,510</u>
Total Assets	<u>\$978,522</u>
Liabilities and Net Assets	
Liabilities	
Accounts Payable	\$4,985
Payroll Taxes Payable	<u>\$6,024</u>
Total Liabilities	\$11,009
Net Assets	
Restricted	\$42,500
Unrestricted	<u>\$925,013</u>
Total Net Assets	<u>\$967,513</u>
Total Liabilities and Net Assets	<u>\$978,522</u>

The accompanying notes are an integral part of these financial statements

Care House, Inc.
Statement of Activities and Changes In Net Assets
For the year ended September 30, 2017

Support and Revenues	<u>Unrestricted</u>
Government Support - State of Alabama	\$157,178
Baldwin County Commission	\$63,644
Public Donations	\$58,122
Fundraising and Miscellaneous	\$53,210
Grants	\$129,955
Refunds & Reimbursements	\$3,594
Programs	\$24,164
Interest	<u>\$1,066</u>
Total Support and Revenues	\$490,933
Expenses	
Personnel Costs	\$317,583
Employee Benefits	\$23,977
Travel Expense	\$5,988
Repairs and Maintenance	\$16,586
Utilities and Communication	\$13,409
Professional Services & Training	\$53,007
Fundraising Expense	\$11,995
Materials, Supplies, and Operating Expense	\$49,715
Depreciation	<u>\$12,966</u>
Total Expenses	<u>\$505,226</u>
Excess of Support and Revenues Over Expenses	(\$14,293)
Restricted Revenue - Building Funds	\$42,500
Net Assets - Beginning of Year	<u>\$939,306</u>
Net Assets - End of Year (Unrestricted)	<u><u>\$925,013</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, 2017

<u>Cash Flows From Operating Activities</u>	
Cash Received from State, County, and Grants	\$250,040
Cash Received from Public, Programs, Fundraising & Others	\$269,045
Cash Paid for Operating Programs & Expenses	<u>(\$493,782)</u>
Net Cash Provided by Operating Activities	\$25,303
<u>Cash Flows From Investing Activities</u>	
Cash Used for Capital Expenditures	\$0
Cash Earned as Interest on Deposits	<u>\$1,066</u>
Net Cash Provided By Investing Activities	\$1,066
<u>Cash Flows From Financing/Special Activities</u>	
Net Cash Provided By Special Activities	<u>\$42,500</u>
Net Current Cash Change	\$68,869
Beginning Cash & Investments Balance	<u>\$524,006</u>
Ending Cash & Investments Balance	<u><u>\$592,875</u></u>
<i>Restricted Funds</i>	<i>\$42,500</i>
<i>Unrestricted Funds</i>	<u><i>\$550,375</i></u>
<i>Total</i>	<u><u><i>\$592,875</i></u></u>

Care House, Inc.
Statement of Cash Flows
For the year ended September 30, 2017

**Reconciliation to Net Excess Revenue (Expenses) to Net Cash
Provided by Operating Activities.**

Net Excess Revenues (Expenses)	(\$14,293)
Adjustments to Reconcile Net Excess Revenue (Expenses) to Net Cash Provided by Operating Activities.	
Depreciation & Amortization Expense	\$12,966
Cash Provided from Interest Earned on Deposits	(\$1,066)
Cash Provided By Special Activities - (BP)	\$0
Net Change in Prepaid Insurance	\$118
Net Change in Funds Receivable	\$29,218
Net Change in Accounts Payable & PR Tax Liability	<u>(\$1,640)</u>
Total Adjustments	<u>\$39,596</u>
Net Cash Provided by Operating Activities	<u><u>\$25,303</u></u>

Notes to the Financial Statements

Care House, Inc.
Notes to Financial Statements
September 30, 2017

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 three months 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, 2017

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 as temporarily restricted or permanently restricted support that increases those net asset classes. When the restrictions expire or are used as designated the restricted assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Care House, Inc. received \$42,500 in restricted funds/net assets for the year ending September 30, 2018 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, 2017

Management's Evaluation of Subsequent Events

Management has evaluated subsequent events through September 15, 2018, the date the financial statements were available to be issued.

Special items occurring in the subsequent year include the fundraising campaign for the building fund and grants funds awarded by Impact 100.

Note 3 - Major Supporter

The State of Alabama (Includes ADECA) provided 32% of Care House, Inc.'s total support and revenues for the year ended September 30, 2017(excluding 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.

See Independent Auditor's Report