

**SAVANNAH/CHATHAM COUNTY
COURT APPOINTED SPECIAL ADVOCATES, INC.**

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2019 AND 2018



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of Savannah/Chatham County Court Appointed Special Advocates, Inc.

We have audited the accompanying financial statements of Savannah/Chatham County Court Appointed Special Advocates, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019 and 2018, and the related statements of activities 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 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 audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 Savannah/Chatham County Court Appointed Special Advocates, Inc. as of December 31, 2019 and 2018, 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.

Coomer, Coomer & Routhier, P.C.

COOMER, COOMER & ROUTHIER, P.C.

Savannah, Georgia

June 8, 2020

SAVANNAH/CHATHAM COUNTY COURT APPOINTED SPECIAL ADVOCATES, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 262,874	\$ 259,507
Receivables	113,774	100,075
Prepaid expense	<u>1,622</u>	<u>1,977</u>
Total current assets	378,270	361,559
PROPERTY AND EQUIPMENT, NET	<u>3,283</u>	<u>1,687</u>
TOTAL ASSETS	<u><u>\$ 381,553</u></u>	<u><u>\$ 363,246</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 11,444	\$ 1,881
Accrued expenses and other liabilities	<u>10,377</u>	<u>5,314</u>
Total current liabilities	21,821	7,195
NET ASSETS		
Without donor restrictions	<u>359,732</u>	<u>356,051</u>
Total net assets	<u>359,732</u>	<u>356,051</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 381,553</u></u>	<u><u>\$ 363,246</u></u>

See Independent Auditor's Report

SAVANNAH/CHATHAM COUNTY COURT APPOINTED SPECIAL ADVOCATES, INC.

STATEMENT OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2019 and 2018

	2019	2018
INCREASES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Contributions	\$ 92,108	\$ 43,214
Fundraising events	104,481	127,318
Grants and government funding	301,960	214,556
Other	19	726
Total increases in net assets without donor restrictions	<u>498,568</u>	<u>385,814</u>
DECREASES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Program services:		
Activities and gifts	1,038	2,235
Conferences	15,912	11,839
Depreciation	987	784
Employee benefits	31,176	22,858
Equipment rental	7,780	5,251
Payroll taxes	20,033	14,390
Postage	1,386	254
Rent	10,334	13,779
Salaries and wages	263,685	191,454
Supplies	3,932	2,621
Telephone	5,387	8,394
Training	18,926	9,323
Travel and meetings	15,779	6,197
Total program services	<u>396,355</u>	<u>289,379</u>
Supporting services:		
Advertising	2,636	240
Bank charges and credit card fees	126	113
Dues and subscriptions	1,095	494
Fundraising costs	27,401	34,929
Insurance	6,530	6,303
Miscellaneous	375	320
Other expense	633	-
Payroll services	2,258	1,925
Payroll taxes	2,181	2,703
Professional fees	10,714	18,724
Salaries and wages	27,265	33,786
Technology	17,318	-
Total supporting services	<u>98,532</u>	<u>99,537</u>
Total decreases in net assets without donor restrictions	<u>494,887</u>	<u>388,916</u>
CHANGE IN NET ASSETS	3,681	(3,102)
NET ASSETS - BEGINNING OF YEAR	<u>356,051</u>	<u>359,153</u>
NET ASSETS - END OF YEAR	<u>\$ 359,732</u>	<u>\$ 356,051</u>

See Independent Auditor's Report

SAVANNAH/CHATHAM COUNTY COURT APPOINTED SPECIAL ADVOCATES, INC.

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 3,681	\$ (3,102)
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Depreciation	987	784
Loss on disposal of assets	436	-
Receivables	(13,699)	(1,494)
Prepaid expenses	355	1,288
Accounts payable	9,563	(3,786)
Accrued expenses and other liabilities	5,063	(487)
Accumulated depreciation adjustment	-	(398)
Net cash provided (used) by operating activities	<u>6,386</u>	<u>(7,195)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(3,019)</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>(3,019)</u>	<u>-</u>
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	3,367	(7,195)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>259,507</u>	<u>266,702</u>
CASH AND CASH EQUIVALENTS - END OF YEAR OF YEAR	<u>\$ 262,874</u>	<u>\$ 259,507</u>
 SUPPLEMENTAL CASH FLOW INFORMATION		
Interest Paid	<u>\$ -</u>	<u>\$ -</u>
In Kind Contributions	<u>\$ 4,500</u>	<u>\$ 1,511</u>

See Independent Auditor's Report

SAVANNAH/CHATHAM COUNTY COURT APPOINTED SPECIAL ADVOCATES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – Savannah/Chatham County Court Appointed Special Advocates, Inc. (the Organization) was incorporated in 1993 by the State of Georgia as a nonprofit organization. The Organization was formed for charitable and educational purposes with the mission to provide training and supervision to volunteers who advocate for the best interests of abused and neglected children who are under the jurisdiction of the Chatham County Juvenile Court. Activities of the Organization are financed by government and private grants and by contributions from other organizations and individuals.

Income Taxes – The Organization is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code. Therefore, no provision for federal or state income taxes has been made on these financial statements.

Basis of Accounting – The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation – The Organization is required to report information regarding its financial position and activities according to the following classes of net assets:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time or will remain in perpetuity.

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 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 – Cash and cash equivalents include all cash balances and highly liquid investments and debt instruments with an initial maturity of three months or less.

Receivables – Receivables consist principally of amounts due from grantor agencies for reimbursable costs. Management considers all remaining grants receivable at December 31, 2019 to be fully collectible. Accordingly, no allowance for doubtful accounts is considered necessary.

Advertising – The Organization charges the cost of advertising to expense as incurred. Advertising expense totaled \$2,636 and \$240 for the years ended December 31, 2019 and 2018, respectively.

Property and Equipment – Property and equipment acquired are stated at acquisition cost, or if donated, at the approximate fair value at the date of donation. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets which range from five to seven years. Depreciation expense for the years ended December 31, 2019 and 2018 was \$987 and \$784, respectively.

SAVANNAH/CHATHAM COUNTY COURT APPOINTED SPECIAL ADVOCATES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted and Unrestricted Support – Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in net assets with donor restrictions until the restriction expires.

NOTE 2 – NEW ACCOUNTING PRONOUNCEMENT

Revenue Recognition – In May 2014, the FASB issued 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This guidance outlines a single, comprehensive model for accounting for revenue from contracts with customers. This standard applies to the Organization because reimbursement basis grants represent a contract between the Organization and the grantor agency. The performance obligation from a reimbursement basis grant is satisfied when the costs to fulfill the contract have been incurred. Contract revenue is recognized at the time the costs are submitted to the grantor agency for reimbursement. The effects of adopting Topic 606 had little effect on the methods used by the Organization to recognize contract revenues.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows:

	December 31,	
	2019	2018
Furniture and Equipment	\$ 12,444	\$ 17,838
Less Accumulated Depreciation	(9,161)	(16,151)
	<u>\$ 3,283</u>	<u>\$ 1,687</u>

NOTE 4 – OPERATING LEASES

The Organization leased office space from the United Way of the Coastal Empire until September of 2019, at which time the agency moved its office to a new space that does not require a monthly lease payment. For the years ended December 31, 2019 and 2018, lease payments related to occupancy totaled \$10,334 and \$13,779, respectively.

The Organization also leases office equipment with varying expiration dates and non-cancelable lease terms. Lease expense for office equipment totaled \$6,196 for the year ending December 31, 2019, and \$5,251 for the year ending December 31, 2018. Future minimum lease payments under non-cancelable operating leases are \$2,696 and they expire in December 2020.

NOTE 5 – FUNCTIONAL ALLOCATION OF EXPENSES

The natural classification of expenses has been allocated according to their function as either a program expense or a support expense on the accompanying Statement of Activities. Supporting services include an estimated allocation of salaries and wages.

SAVANNAH/CHATHAM COUNTY COURT APPOINTED SPECIAL ADVOCATES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

NOTE 6 – CONCENTRATIONS AND CONTINGENCIES

The Organization receives over one half of its funding from grants and government contracts, and as such, economic impacts could jeopardize funding. These grant awards from federal, state, and local governmental entities are also subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with award restrictions.

The Organization utilizes one financial institution for its banking needs and from time to time account balances will exceed FDIC limits of \$250,000. For the years ending December 31, 2019 and 2018 that excess was \$12,874 and \$11,988, respectively.

NOTE 7 – CONTRIBUTED GOODS AND SERVICES

The Organization utilizes trained volunteers to fulfill its program requirements. Volunteer hours are tracked for grant reporting purposes, but the value of these service hours is not recorded in the accounts of the Organization. Other contributed services are recorded in the accounts at fair market value if the services (a) create or enhance long-lived assets or (b) require specialized skills. The amount of contributed services meeting the qualifications for recognition totaled \$4,500 for the year ending December 31, 2019, and \$1,511 for the year ending December 31, 2018.

NOTE 8 – LIQUIDITY

The Organization should have sufficient financial assets to fund operations for the next twelve months. Financial assets consist mainly of unrestricted cash in the amount of \$262,874 and receivables of \$113,774 at December 31, 2019.

NOTE 9 – EMPLOYEE BENEFIT PLAN

The Organization started a SIMPLE plan in October 2013 for all employees meeting certain eligibility requirements. The Organization will make a matching contribution equal to the employee's contribution up to a limit of 3% of the employee's compensation for the calendar year. For the year ending December 31, 2018, there was no employee participation and therefore no matching contribution, and for the year ending December 31, 2019, the Organization contributed \$1,816 in matching funds to the plan.

NOTE 10 – UNCERTAINTY IN INCOME TAXES

The Organization has not recognized any interest or penalties in its statement of activities that are related to any of its tax positions. Tax years 2017 through 2019 remain open for examination by taxing authorities.

SAVANNAH/CHATHAM COUNTY COURT APPOINTED SPECIAL ADVOCATES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

NOTE 11 – MANAGEMENT’S REVIEW OF SUBSEQUENT EVENTS

Subsequent to year end, but prior to the issuance of these financial statements, the United States was stricken by the Corona virus pandemic. The total impact on the Organization is not known at this time, however, they were able to secure a Small Business Administration Paycheck Protection Plan (PPP) loan to help sustain operations.

Per Management’s review of subsequent events for the period January 1, 2020 through June 8, 2020, there are no other events that should be recognized in these financial statements or disclosed in the notes. The date of June 8, 2020 is the issuance date of these financials.