

**CHILDREN'S AID SOCIETY OF ALABAMA  
& CHILDREN'S AID FOUNDATION**

**Combined Financial Statements  
and  
Supplemental Information**

**For The Years Ended  
September 30, 2019 and 2018**

**CHILDREN'S AID SOCIETY OF ALABAMA & CHILDREN'S AID FOUNDATION**

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**For the Years Ended September 30, 2019 and 2018**

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# CHILDREN'S AID SOCIETY OF ALABAMA & CHILDREN'S AID FOUNDATION

## Nature of Operations For the Year Ended September 30, 2019

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Children's Aid Society of Alabama (CAS), formed in 1912 and incorporated February 21, 1913, is a nonprofit agency serving children, youth and their families. CAS was formed prior to the Alabama Department of Human Resources by a group of citizens who were concerned for the well-being of children. CAS' headquarters are centrally located in Birmingham's Southside within the Alice McSpadden Williams Center for Youth and Families.

In 2016, CAS became a Trauma-Informed Care Organization by engaging a national consultant to lead staff and the Board through a self-evaluation and training process. CAS is committed to seeing clients from the perspective of what has happened to them and not what is wrong with them, then building upon strengths to support and promote healing and resilience.

**TARGET POPULATION:** Children (ages 0-13), youth (ages 14-21), young adults (ages 22-26) and families in need of services provided by our initiatives.

**SERVICE AREA:** Alabama, 67 counties.

### **SERVICE FACILITIES:**

Headquarters: Birmingham, AL

Satellite Offices: Florence, Huntsville, Jasper, Mobile, Montgomery

### **CAS SIGNATURE INITIATIVES:**

- **Adoption Support and Adoption Training Online**
  - Helping adult adoptees, birth parents and prospective, adoptive families explore and navigate the adoption journey through online training, counseling, and consultation. Continuing the CAS legacy of supporting adoption placements made from the 1940's through 1993.
- **Alabama Pre/Post Adoption Connections (APAC)**
  - Recruiting, empowering and supporting adoptive families facing adoption challenges through training, peer support groups, counseling, adoptive family mentoring, resource libraries, networking and Camp APAC.
- **Effective Parenting Instruction Course (EPIC)**
  - Complimentary classes, in English and Spanish, for at-risk parents in Jefferson and Shelby counties seeking assistance with their parenting skills. Topics include communication, age-appropriate natural and logical actions/consequences, Shaken Baby Prevention, Safe Sleep environment, and Smoking Cessation.
- **Family Partners (FP)**
  - In-home, intensive crisis intervention and family education services. Priorities are **preservation** of families at imminent risk of child removal due to abuse/neglect, and **reunification** of families whose children have been removed for safety concerns.
- **Independent Living Camps and Conferences (ILCC)**
  - Advocacy and skill building for youth in foster care to facilitate their transition to adulthood. Monthly meetings and annual camps build young leaders, teach healthy decision making, home-building, higher education access, career counseling, and positive coping skills. Annual graduation celebration; youth participation in national independent living conferences; Annual Networking conference for professionals serving youth in foster care.
- **Project Independence (PI)**
  - Providing a safe, stable home for pregnant and/or parenting homeless young parents (ages 16-22) and their children while they achieve education and employment goals. PI provides individualized support with the goals of breaking cycles of homelessness, abuse and neglect, while increasing the ability of young families to thrive together.

## BORLAND | BENEFIELD

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Children's Aid Society of Alabama & Children's Aid Foundation

**Report on the Financial Statements**

We have audited the accompanying combined financial statements of the Children's Aid Society of Alabama (CAS) & the Children's Aid Foundation (the Foundation), which comprise the combined statement of financial position as of September 30, 2019 and 2018, and the related combined statements of activities, functional expenses 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 combined 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 opinions on these combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined financial statements.

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

## Opinion

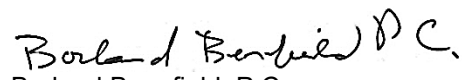
In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of CAS and the Foundation as of September 30, 2019, and the changes in the related combined statements of activities, functional expenses, and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## Other Matters

Our audit was conducted for the purpose of forming an opinion on the combined financial statements that comprise the CAS's basic combined financial statements. The combining statement of financial position and statement of activities are presented for purposes of additional analysis and are not a required part of the financial statements of CAS. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2020, on our consideration of CAS's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CAS's internal control over financial reporting and compliance.

  
Borland Benefield, P.C.  
Birmingham, Alabama  
January 7, 2020

**CHILDREN'S AID SOCIETY OF ALABAMA & CHILDREN'S AID FOUNDATION**

**Combined Statement of Financial Position**

	<b>As of September 30,</b>	
	<b><u>2019</u></b>	<b><u>2018</u></b>
<b>Assets</b>		
Cash and cash equivalents	\$ 661,093	\$ 1,395,990
Investments	4,798,049	3,563,789
Investment held at cost	21,504	21,504
Grants receivable	578,720	609,907
Unconditional promises to give, net	56,732	154,294
Prepaid expenses	28,677	32,386
Property and equipment, net	<u>2,133,505</u>	<u>2,212,271</u>
<b>Total Assets</b>	<b><u>\$ 8,278,280</u></b>	<b><u>\$ 7,990,141</u></b>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable	\$ 93,342	\$ 79,019
Accrued payroll and payroll taxes	385,545	276,735
Other accrued liabilities	431	4,260
Refundable deposits	<u>1,100</u>	<u>100</u>
Total Liabilities	<u>480,418</u>	<u>360,114</u>
Net Assets		
Without donor restrictions	7,427,793	7,230,841
With donor restrictions	<u>370,069</u>	<u>399,186</u>
Total Net Assets	<u>7,797,862</u>	<u>7,630,027</u>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 8,278,280</u></b>	<b><u>\$ 7,990,141</u></b>

See accompanying notes to financial statements.

**CHILDREN'S AID SOCIETY OF ALABAMA & CHILDREN'S AID FOUNDATION**

**Combined Statement of Activities  
For the Year Ended September 30, 2019**

	<u>Without</u>	<u>With</u>	
	<u>Donor Restrictions</u>	<u>Donor Restrictions</u>	<u>Total</u>
<b>Revenue and Support</b>			
Grant revenue	\$ -	\$ 4,459,169	\$ 4,459,169
United Way allocation	914,510	-	914,510
Contributions and memorials	145,563	5,085	150,648
Investment income, net	148,433	-	148,433
Other	66,596	-	66,596
Event income	12,636	-	12,636
Program service fees	-	33,214	33,214
Net assets released from restrictions	4,526,585	(4,526,585)	-
<b>Total Revenue and Support</b>	<u>5,814,323</u>	<u>(29,117)</u>	<u>5,785,206</u>
<b>Expenses</b>			
Program Services			
APAC	2,270,270	-	2,270,270
Family partners	1,948,233	-	1,948,233
Independent living camps & conferences	570,625	-	570,625
Project independence	350,084	-	350,084
Prevention services	56,350	-	56,350
Permanency planning	93,313	-	93,313
Supporting services			
Development	138,493	-	138,493
Management and general	190,002	-	190,002
<b>Total Expenses</b>	<u>5,617,370</u>	<u>-</u>	<u>5,617,370</u>
<b>Change in Net Assets</b>	196,953	(29,117)	167,836
<b>Net Assets, Beginning of Year</b>	<u>7,230,840</u>	<u>399,186</u>	<u>7,630,026</u>
<b>Net Assets, End of Year</b>	<u>\$ 7,427,793</u>	<u>\$ 370,069</u>	<u>\$ 7,797,862</u>

See accompanying notes to financial statements.

**CHILDREN'S AID SOCIETY OF ALABAMA & CHILDREN'S AID FOUNDATION**

**Combined Statement of Activities  
For the Year Ended September 30, 2018**

	<u>Without</u>	<u>With</u>	
	<u>Donor Restrictions</u>	<u>Donor Restrictions</u>	<u>Total</u>
<b>Revenue and Support</b>			
Grant revenue	\$ -	\$ 4,406,975	\$ 4,406,975
United Way allocation	922,393	-	922,393
Contributions and memorials	114,822	8,081	122,903
Investment income	152,078	-	152,078
Other	72,210	-	72,210
Event income	18,766	-	18,766
Program service fees	-	11,792	11,792
Net assets released from restrictions	<u>4,541,896</u>	<u>(4,541,896)</u>	<u>-</u>
<b>Total Revenue and Support</b>	<u>5,822,165</u>	<u>(115,048)</u>	<u>5,707,117</u>
<b>Expenses</b>			
Program Services			
APAC	2,181,849	-	2,181,849
Family partners	1,868,452	-	1,868,452
Independent living camps & conferences	487,397	-	487,397
Project independence	338,772	-	338,772
Prevention services	79,571	-	79,571
Permanency planning	77,358	-	77,358
Supporting services			
Development	113,215	-	113,215
Management and general	<u>157,539</u>	<u>-</u>	<u>157,539</u>
<b>Total Expenses</b>	<u>5,304,153</u>	<u>-</u>	<u>5,304,153</u>
<b>Change in Net Assets</b>	518,012	(115,048)	402,964
<b>Net Assets, Beginning of Year</b>	<u>6,712,829</u>	<u>514,234</u>	<u>7,227,063</u>
<b>Net Assets, End of Year</b>	<u>\$ 7,230,841</u>	<u>\$ 399,186</u>	<u>\$ 7,630,027</u>

See accompanying notes to financial statements.



**CHILDREN'S AID SOCIETY OF ALABAMA & CHILDREN'S AID FOUNDATION**

**Combined Statement of Cash Flows**

	<b>For the Years Ended</b>	
	<b>September</b>	
	<b><u>2019</u></b>	<b><u>2018</u></b>
<b>Cash Flows From Operating Activities</b>		
Cash received from United Way	\$ 914,510	\$ 922,393
Foundation and government grant income received	4,490,356	4,530,031
Contributions received	248,210	138,441
Interest received	130,556	117,647
Special event income	12,636	18,766
Other income received	166,309	70,622
Cash paid for programs and operations	<u>(5,446,306)</u>	<u>(5,192,031)</u>
<b>Net Cash Provided by Operating Activities</b>	<u>516,271</u>	<u>605,869</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of investment securities	(3,803,136)	(4,472,488)
Proceeds from sales of investments	2,606,382	3,052,278
Acquisition of property, plant and equipment	<u>(54,414)</u>	<u>(155,946)</u>
<b>Net Cash (Used) by Investing Activities</b>	<u>(1,251,168)</u>	<u>(1,576,156)</u>
<b>Net Change in Cash and Cash Equivalents</b>	(734,897)	(970,287)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>1,395,990</u>	<u>2,366,277</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 661,093</u>	<u>\$ 1,395,990</u>

See accompanying notes to financial statements.

CHILDREN'S AID SOCIETY OF ALABAMA & CHILDREN'S AID FOUNDATION

Combined Statement of Functional Expenses  
For the Year Ended September 30, 2019

	<u>APAC</u>	<u>Family Partners</u>	<u>ILC&amp;C</u>	<u>Project Independence</u>	<u>Prevention Services</u>	<u>Permanency Planning</u>	<u>Development</u>	<u>Management and General</u>	<u>Total</u>
<b>Functional Expenses</b>									
Salaries and Related Costs									
Salaries	\$ 1,035,353	\$ 942,240	\$ 161,996	\$ 139,757	\$ 25,321	\$ 51,010	\$ 74,286	514,141	\$ 2,944,104
Benefits and other payroll costs	<u>278,555</u>	<u>256,346</u>	<u>40,901</u>	<u>39,126</u>	<u>2,869</u>	<u>8,926</u>	<u>19,476</u>	<u>142,683</u>	<u>788,882</u>
Total Salaries and Related Costs	<u>1,313,908</u>	<u>1,198,586</u>	<u>202,897</u>	<u>178,883</u>	<u>28,190</u>	<u>59,936</u>	<u>93,762</u>	<u>656,824</u>	<u>3,732,986</u>
Other Expenses									
Assistance to individuals	259,644	3,695	264,923	82,711	4,641	-	-	300	615,914
Reimbursement staff mileage	57,602	209,835	7,435	4,940	1,326	308	-	6,512	287,958
Professional fees and service contracts	35,384	29,876	5,986	5,739	2,413	7,398	10,465	111,674	208,935
Occupancy	88,997	36,841	11,395	8,191	2,904	4,242	4,541	4,050	161,161
Education	46,838	3,348	6,676	5,047	300	160	721	19,869	82,959
Telephone and internet	12,658	25,346	2,783	2,553	283	283	495	18,963	63,364
Insurance	9,800	-	2,513	-	-	-	-	30,593	42,906
Recruitment staff and families	37,654	570	50	476	149	-	25	1,046	39,970
Supplies	5,663	2,308	419	944	512	99	345	15,477	25,767
Agency sponsored events	8,490	1,675	89	-	2,271	-	433	10,814	23,772
Travel	6,920	2,288	7,539	31	66	2	25	3,688	20,559
Printing and reproduction	9,686	493	327	73	219	186	753	5,347	17,084
Organization dues and subscriptions	585	100	40	1,200	-	16	532	9,779	12,252
Bank fees	-	-	144	-	-	-	40	9,271	9,455
Consultation	6,417	(276)	454	259	40	2,450	-	-	9,344
Postage and shipping	4,943	163	54	23	21	100	513	1,779	7,596
Miscellaneous	106	272	-	1,357	2,002	-	-	2,101	5,838
In-kind	-	-	-	5,826	-	-	-	-	5,826
Equipment repairs and maintenance	-	-	-	-	-	-	-	5,266	5,266
Library supplies	1,673	-	-	-	-	-	-	-	1,673
Equipment rental/lease	117	-	200	-	-	-	-	541	858
Total Other Expenses	<u>593,177</u>	<u>415,616</u>	<u>311,027</u>	<u>122,393</u>	<u>18,769</u>	<u>15,244</u>	<u>18,888</u>	<u>257,070</u>	<u>1,752,185</u>
Total expenses before depreciation and indirect cost allocation	1,907,085	1,614,202	513,924	301,276	46,959	75,180	112,650	913,894	5,485,170
Depreciation	13,475	13,359	1,234	1,703	587	905	617	100,320	132,200
Indirect cost allocation	<u>349,710</u>	<u>320,672</u>	<u>55,467</u>	<u>47,105</u>	<u>8,804</u>	<u>17,228</u>	<u>25,226</u>	<u>(824,212)</u>	<u>-</u>
<b>Total Functional Expenses</b>	<u>\$ 2,270,270</u>	<u>\$ 1,948,233</u>	<u>\$ 570,625</u>	<u>\$ 350,084</u>	<u>\$ 56,350</u>	<u>\$ 93,313</u>	<u>\$ 138,493</u>	<u>\$ 190,002</u>	<u>\$ 5,617,370</u>

See accompanying notes to financial statements.

CHILDREN'S AID SOCIETY OF ALABAMA & CHILDREN'S AID FOUNDATION

Combined Statement of Functional Expenses  
For the Year Ended September 30, 2018

	<u>APAC</u>	<u>Family Partners</u>	<u>ILC&amp;C</u>	<u>Project Independence</u>	<u>Prevention Services</u>	<u>Permanency Planning</u>	<u>Development</u>	<u>Management and General</u>	<u>Total</u>
<b>Functional Expenses</b>									
Salaries and Related Costs									
Salaries	\$ 971,689	\$ 898,727	\$ 137,709	\$ 131,369	\$ 38,946	\$ 40,586	\$ 53,643	\$ 480,276	\$ 2,752,945
Benefits and other payroll costs	<u>240,736</u>	<u>236,731</u>	<u>36,344</u>	<u>34,510</u>	<u>12,463</u>	<u>7,453</u>	<u>12,222</u>	<u>141,216</u>	<u>721,675</u>
Total Salaries and Related Costs	<u>1,212,425</u>	<u>1,135,458</u>	<u>174,053</u>	<u>165,879</u>	<u>51,409</u>	<u>48,039</u>	<u>65,865</u>	<u>621,492</u>	<u>3,474,620</u>
<b>Other Expenses</b>									
Assistance to individuals	272,309	1,412	219,894	75,801	2,671	-	-	-	572,087
Professional fees and service contracts	48,249	120,638	7,634	11,394	4,121	5,899	19,316	86,194	303,445
Reimbursement staff mileage	48,210	202,101	5,915	3,546	199	598	-	6,477	267,046
Occupancy	86,823	37,414	11,017	9,807	2,958	3,686	2,108	(6,338)	147,475
Education	45,845	1,328	5,732	4,213	200	228	79	36,338	93,963
Telephone and internet	15,301	26,610	2,210	3,505	320	271	320	27,782	76,319
Recruitment staff and families	43,457	799	75	464	-	-	-	1,258	46,053
Insurance	10,153	129	2,948	-	-	-	-	28,665	41,895
Supplies	6,774	2,630	286	847	108	78	897	10,870	22,490
Agency sponsored events	6,445	3,853	-	-	1,303	-	850	9,985	22,436
Travel	4,157	3,909	7,620	51	40	9	-	3,107	18,893
Printing and reproduction	13,689	1,093	381	238	373	130	1,569	252	17,725
Miscellaneous	538	694	-	4,210	1,746	-	1,809	2,693	11,689
Postage and shipping	7,410	33	65	7	20	61	1,141	2,485	11,222
In-kind	98	-	-	10,444	-	-	-	-	10,542
Organization dues and subscriptions	493	-	-	1,260	13	-	-	8,471	10,237
Bank fees	-	-	-	-	-	-	-	8,975	8,975
Equipment repairs and maintenance	227	620	-	-	-	75	-	7,120	8,042
Consultation	1,104	1,058	-	359	215	3,268	-	-	6,004
Library supplies	1,823	-	-	-	-	-	-	-	1,823
Equipment rental/lease	805	-	-	-	-	-	-	256	1,061
Total Other Expenses	<u>613,910</u>	<u>404,321</u>	<u>263,777</u>	<u>126,146</u>	<u>14,287</u>	<u>14,303</u>	<u>28,089</u>	<u>234,590</u>	<u>1,699,423</u>
Total expenses before depreciation and indirect cost allocation	1,826,335	1,539,779	437,830	292,025	65,696	62,342	93,954	856,082	5,174,043
Depreciation	14,131	14,119	1,369	768	244	811	486	98,182	130,110
Indirect cost allocation	<u>341,383</u>	<u>314,554</u>	<u>48,198</u>	<u>45,979</u>	<u>13,631</u>	<u>14,205</u>	<u>18,775</u>	<u>(796,725)</u>	<u>-</u>
<b>Total Functional Expenses</b>	<u>\$ 2,181,849</u>	<u>\$ 1,868,452</u>	<u>\$ 487,397</u>	<u>\$ 338,772</u>	<u>\$ 79,571</u>	<u>\$ 77,358</u>	<u>\$ 113,215</u>	<u>\$ 157,539</u>	<u>\$ 5,304,153</u>

See accompanying notes to financial statements.

# CHILDREN'S AID SOCIETY & CHILDREN'S AID FOUNDATION

## Notes to Financial Statements For the Years Ended September 30, 2019 and 2018

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### Note 1 – Summary of Significant Accounting Policies

Combined Financial Statements – The combined financial statements presented are the combined financial statements of the Children's Aid Society (CAS) and Children's Aid Foundation (the Foundation). Combined financial statements are presented because the Foundation solicits contributions to be used by or for CAS, and its primary purpose is to provide support to CAS. The Foundation has a separate Board; however, common control is sufficient to warrant combination. Transactions between the CAS and the Foundation have been eliminated.

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Basis of Presentation – CAS reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of CAS, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

Promises to Give - Unconditional promises to give are recognized as revenue in the period received and as assets, decreases in liabilities or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Cash and Cash Equivalents – For purposes of the statement of cash flows, CAS considers all unrestricted highly liquid investments with a maturity of three months or less to be cash equivalents. Cash held in security accounts are considered part of the investment portfolio.

Investments – The fair value of investments in marketable equity securities is based on quoted market prices.

Cost Method of Accounting for Investments – Investments in companies in which there is not any readily determinable fair market value are carried at cost.

Receivables – Management reviews all receivables annually for uncollectible accounts. At year end, management believes that all amounts included in receivables are collectible and an allowance for uncollectible accounts would be immaterial to the financial statements.

*See independent auditor's report.*

## CHILDREN'S AID SOCIETY & CHILDREN'S AID FOUNDATION

### Notes to Financial Statements (continued) For the Years Ended September 30, 2019 and 2018

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#### Note 1 – Summary of Significant Accounting Policies (continued)

Property and Equipment – Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, CAS reports expirations of donor restrictions when the donated or acquired assets are placed in service. CAS reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment is capitalized at cost if purchase price exceeds \$500 or fair market value if donated. Property and equipment is depreciated using the straight-line method over the estimated useful life of the asset.

Contributions – 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, depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Donated Services – Donated services have not been recorded in these financial statements due to there being no objective basis available to measure the value of such services.

Donated Assets – Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of the donation.

Concentration of Contributions – CAS receives approximately 75% of its annual budget income from the Alabama Department of Human Resources and 16% from the United Way of Central Alabama (United Way). At year-end, approximately 71% of CAS's grants receivable balance was due from the Alabama Department of Human Resources. Any changes in the Alabama Department of Human Resources or United Way budgets would significantly affect CAS and its operations.

Functional Expense Allocation – The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited through the indirect cost allocation which is based on the salary amounts of the employees under the specific programs.

Income Taxes – CAS is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code. As of September 30, 2019, CAS had no uncertain tax positions that qualify for disclosure in the financial statements. CAS files an annual Form 990 with the Internal Revenue Service, and its tax return for the year ended 2016 and subsequent years remain subject to examination by tax authorities.

Recent Pronouncements - In February 2016, the Financial Accounting Standards Board ("FASB" or "the Board") issued a new leasing standard in ASU 2016-02 ("Topic 842" or "the new standard") for both lessees and lessors. Under its core principle, a lessee will recognize right-of-use ("ROU") assets and related lease liabilities on the balance sheet for all arrangements with terms longer than 12 months. The pattern of expense recognition in the income statement will depend on a lease's classification. The provisions of this update are effective for fiscal years beginning after December 15, 2020.

*See independent auditor's report.*

## CHILDREN'S AID SOCIETY & CHILDREN'S AID FOUNDATION

### Notes to Financial Statements (continued) For the Years Ended September 30, 2019 and 2018

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#### Note 1 – Summary of Significant Accounting Policies (continued)

Recently Adopted Pronouncements - On August 18, 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. CAS has adjusted the presentation of its financial statements accordingly. The new standard changes the following aspects of CAS's financial statements:

- The unrestricted net asset class has been renamed to net asset without donor restrictions. The temporarily restricted net asset class has been renamed to net assets with donor restrictions.
- The format of the statement of cash flows has been changed to the direct method of reporting cash flows from operations, which we believe to be more understandable for the user of our financial statements
- The financial statements include a new disclosure about liquidity and availability of resources (Note 2)
- Reporting investment income net of external and direct internal investment expenses on the statement of activities.

#### Note 2 – Liquidity and Availability of Financial Assets

The following reflects CAS's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual restrictions within one year of the balance sheet date.

Financial Assets, at year-end	\$	6,116,099
Less those for restricted use		
Donor restricted funds		<u>(370,069)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u>5,746,030</u>

#### Note 3 – Fair Value Measurements

FASB ASC 820-10-50 establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
- Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

*See independent auditor's report.*

**CHILDREN'S AID SOCIETY & CHILDREN'S AID FOUNDATION**

**Notes to Financial Statements (continued)  
For the Years Ended September 30, 2019 and 2018**

**Note 3 – Fair Value Measurements (continued)**

All assets have been valued using a market approach, except for Level 3 assets. Level 3 assets are valued using the cost approach. Fair values for assets in Level 2 are calculated using quoted market prices for similar assets in markets that are not active. There were no changes in the valuations techniques during the current year.

The fair value of assets, measured on a recurring basis, was as follows:

	<u>September 30, 2019</u>	<u>Fair Value</u>	<u>Fair Value Measurements at Reporting Date Using</u>					
			<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>			
Cash and equivalents	\$	22,035	\$	22,035	\$	-	\$	-
Investments:								
Fixed income funds		1,890,775		1,138,207		752,568		-
Equities funds		2,885,239		2,885,239		-		-
Total	\$	<u>4,798,049</u>	\$	<u>4,045,481</u>	\$	<u>752,568</u>	\$	<u>-</u>
 <b><u>September 30, 2018</u></b>								
Cash and equivalents	\$	4,568	\$	4,568	\$	-	\$	-
Investments:								
Fixed income funds		1,417,769		804,724		613,045		-
Equities funds		2,141,452		2,141,452		-		-
Total	\$	<u>3,563,789</u>	\$	<u>2,950,744</u>	\$	<u>613,045</u>	\$	<u>-</u>

**Note 4 – Risks and Uncertainties**

Financial instruments that potentially subject CAS to concentrations of credit risk consist primarily of cash and cash equivalent accounts in financial institutions. Cash and cash equivalents exceeding federally insured limits totaled \$560,293 and \$1,316,310 at September 30, 2019 and 2018, respectively.

Investment accounts are covered by the Securities Investor Protection Corporation (SIPC), up to \$500,000. As of September 30, 2019 and 2018, the amount of unsecured investments totaled \$4,298,074 and \$3,063,789, respectively.

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See independent auditor's report.

**CHILDREN'S AID SOCIETY & CHILDREN'S AID FOUNDATION**

**Notes to Financial Statements (continued)  
For the Years Ended September 30, 2019 and 2018**

**Note 5 – Promises to Give**

Unconditional promises to give at September 30, were as follows:

	<u>2019</u>	<u>2018</u>
Receivables in less than one year	\$ 56,991	\$ 45,000
Receivables in one to five years	<u>-</u>	<u>109,904</u>
Total Unconditional Promises to Give	56,991	154,904
Less: Discounts to net present value	<u>(259)</u>	<u>(610)</u>
Total	<u>\$ 56,732</u>	<u>\$ 154,294</u>

Promises to give receivable in more than one year are discounted at 1.035%.

**Note 6 – Investments**

Investments are stated at fair value, using Level 1 and 2 inputs, and are summarized as follows at:

**September 30, 2019**

	<u>Cost or Amortized Cost</u>	<u>Carrying Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Cash	\$ 22,060	\$ 22,060	\$ -
U.S. Equities	1,790,338	1,940,034	149,696
International Equities	1,010,405	945,205	(65,200)
Fixed Income	<u>1,890,432</u>	<u>1,890,750</u>	<u>318</u>
Total Investments at Fair Value	<u>\$ 4,713,235</u>	<u>\$ 4,798,049</u>	<u>\$ 84,814</u>

**September 30, 2018**

	<u>Cost or Amortized Cost</u>	<u>Carrying Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Cash	\$ 4,567	\$ 4,567	\$ -
U.S. Equities	1,389,504	1,475,715	86,211
International Equities	708,112	665,738	(42,374)
Fixed Income	<u>1,421,269</u>	<u>1,417,769</u>	<u>(3,500)</u>
Total Investments at Fair Value	<u>\$ 3,523,452</u>	<u>\$ 3,563,789</u>	<u>\$ 40,337</u>

*See independent auditor's report.*



## CHILDREN'S AID SOCIETY & CHILDREN'S AID FOUNDATION

### Notes to Financial Statements (continued) For the Years Ended September 30, 2019 and 2018

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#### Note 6 – Investments (continued)

All assets have been valued using a market approach. New fixed income are Level 2. See Note 2.

CAS also holds investments valued at a cost of \$21,504.

Investment income as for September 30:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 130,557	\$ 117,647
Realized gain/(loss)	(7,951)	233,739
Unrealized gain/(loss)	44,477	(183,085)
Investment expenses	<u>(18,650)</u>	<u>(16,223)</u>
Total Net Investment Income	<u>\$ 148,433</u>	<u>\$ 152,078</u>

#### Note 7 – Property and Equipment

Depreciation of buildings and equipment is provided on a straight-line basis over the estimated useful lives of the assets. Property and equipment consisted of the following at September 30:

	<u>2019</u>	<u>2018</u>
Building and improvements	\$ 2,481,307	\$ 2,454,906
Furniture and fixtures	440,611	442,381
Less: accumulated depreciation	<u>(788,413)</u>	<u>(685,016)</u>
Property and Equipment, net	<u>\$ 2,133,505</u>	<u>\$ 2,212,271</u>

The total amount of depreciation for 2019 and 2018 was \$132,200 and \$130,110, respectively.

#### Note 8 – Operating Leases

CAS rents office space and equipment under an operating lease expiring in various years through 2021. Future minimum lease payments for the years ended September 30:

2020	\$ 29,448
2021	<u>5,400</u>
Total	<u>\$ 34,848</u>

#### Note 9 – Retirement Contribution Plan

Beginning April 1, 1995, CAS sponsored a defined contribution plan that covered all eligible employees at retirement based on years of service and compensation. For the years ended September 30, 2019 and 2018, total agency contributions amounted to \$217,305 and \$193,845, respectively.

*See independent auditor's report.*

**CHILDREN'S AID SOCIETY & CHILDREN'S AID FOUNDATION**

**Notes to Financial Statements (continued)  
For the Years Ended September 30, 2019 and 2018**

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**Note 10 – Net Assets With Donor Restrictions**

Net assets with donor restrictions totaled \$370,069 and \$399,186 at September 30, 2019 and 2018, respectively. The amounts in 2019 and 2018 were restricted for unconditional promises to give and other programs.

**Note 11 – Subsequent Events**

CAS's management has evaluated subsequent events through January 7, 2020, the date the financial statements were available to be issued.

*See independent auditor's report.*

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Children's Aid Society of Alabama

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Children's Aid Society of Alabama (CAS) as of and for the year ended September 30, 2019, and have issued our report thereon dated January 7, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Children's Aid Society of Alabama's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Children's Aid Society of Alabama's internal control. Accordingly, we do not express an opinion on the effectiveness of CAS's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.


Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Children's Aid Society of Alabama's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Borland Benefield, P.C.  
Birmingham, Alabama  
January 7, 2020

BORLAND  
BENEFIELD**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
Children's Aid Society of Alabama

**Report on Compliance for Each Major Program**

We have audited the Children's Aid Society of Alabama's (CAS) compliance with types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the CAS's major federal programs for the year ended September 30, 2019. CAS's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's responsibility**

Our responsibility is to express an opinion on compliance for each of CAS's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about CAS's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of CAS's compliance.

**Opinion on Each Major Federal Program**

In our opinion, CAS complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

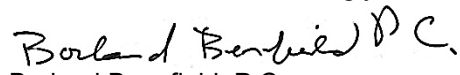
## Report on Internal Control Over Compliance

Management of CAS is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered CAS's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of CAS's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

  
Borland Benefield, P.C.  
Birmingham, Alabama  
January 7, 2020

**CHILDREN'S AID SOCIETY OF ALABAMA**

**Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2019**

<b>Federal Grantor/ Pass-through Grantor Program Title</b>	<b>CFDA Number</b>	<b>Agency or Pass-Through Number</b>	<b>Federal Expenditures</b>
U.S. Department of Health and Human Services Promoting Safe and Stable Families/Passed Through the AL Dept of Human Resources/APAC Pre-Adoption	93.556	4538	\$ 1,554,572
Family Partners Passed Through the AL Dept of Human Resources	93.556	5001	<u>112,764</u>
Sub-total			1,667,336
Transitional Living for Homeless Youth	93.550		194,726
Child Abuse and Neglect State Grants Passed through the Children's Trust Fund	93.669	ADCANP	18,750
Independent Living Conference & Camps Passed Through the AL Dept of Human Resources	93.674	4517	<u>337,671</u>
Total			<u>\$ 2,218,483</u>

**Note A – Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal award activity of the Children's Aid Society of Alabama under programs of the federal government for the year ended September 30, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Children's Aid Society of Alabama, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Children's Aid Society of Alabama.

**Note B – Summary of Significant Accounting Policies**

(1) Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Children's Aid Society of Alabama has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

CHILDREN'S AID SOCIETY OF ALABAMA

Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2019

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**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: unmodified

Internal control over financial reporting:  
Material weakness(es) identified?        yes   X   no

Significant deficiency(s) identified that are not considered to be material weaknesses?        yes   X   no

Noncompliance material to financial statements noted?        yes   X   no

**Federal Awards**

Internal control over major programs:  
Material weakness(es) identified?        yes   X   no

Significant deficiency(s) identified that are not considered to be material weaknesses?        yes   X   no

Type of auditor's report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) of the Uniform Guidance?        yes   X   no

Identification of major programs:  
U.S. Department of Health and Human Services  
CFDA #93.556 - Promoting Safe and Stable Families

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?   X   yes        no

**Section II - Financial Statement Findings**

None Reported

**Section III - Federal Award Findings and Questioned Costs**

None Reported

**Section IV - Prior Year Findings**

**Findings - Financial Statements Audit**

None Reported

**Findings and Questioned Costs - Major Federal Award Programs Audit**

None Reported



**CHILDREN'S AID SOCIETY OF ALABAMA & CHILDREN'S AID FOUNDATION**

**Combining Statement of Financial Position  
As of September 30, 2019**

	<b>Children's Aid Society</b>	<b>Children's Aid Foundation</b>	<b>Eliminations</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 658,996	\$ 2,097	\$ -	\$ 661,093
Investments	-	4,798,049	-	4,798,049
Investment held at cost	21,504	-	-	21,504
Grants receivable	578,720	-	-	578,720
Unconditional promises to give, net	56,732	-	-	56,732
Prepaid expenses	28,677	-	-	28,677
Due from related organization	120,000	-	(120,000)	-
Property and equipment, net	<u>2,133,505</u>	<u>-</u>	<u>-</u>	<u>2,133,505</u>
<b>Total Assets</b>	<b><u>\$ 3,598,134</u></b>	<b><u>\$ 4,800,146</u></b>	<b><u>\$ (120,000)</u></b>	<b><u>\$ 8,278,280</u></b>
<b>Liabilities and Net Assets</b>				
Liabilities				
Accounts payable	\$ 90,342	\$ 3,000	\$ -	\$ 93,342
Accrued payroll and payroll taxes	385,545	-	-	385,545
Other accrued liabilities	431	-	-	431
Refundable deposit	1,100	-	-	1,100
Due to related organization	<u>-</u>	<u>120,000</u>	<u>(120,000)</u>	<u>-</u>
Total Liabilities	<u>477,418</u>	<u>123,000</u>	<u>(120,000)</u>	<u>480,418</u>
Net Assets				
Without donor restrictions	2,750,647	4,677,146	-	7,427,793
With donor restrictions	<u>370,069</u>	<u>-</u>	<u>-</u>	<u>370,069</u>
Total Net Assets	<u>3,120,716</u>	<u>4,677,146</u>	<u>-</u>	<u>7,797,862</u>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 3,598,134</u></b>	<b><u>\$ 4,800,146</u></b>	<b><u>\$ (120,000)</u></b>	<b><u>\$ 8,278,280</u></b>

**CHILDREN'S AID SOCIETY OF ALABAMA & CHILDREN'S AID FOUNDATION**

**Combining Statement of Financial Position  
As of September 30, 2018**

	<b>Children's Aid Society</b>	<b>Children's Aid Foundation</b>	<b>Eliminations</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 1,387,786	\$ 8,204	\$ -	\$ 1,395,990
Investments	-	3,563,789	-	3,563,789
Investment held at cost	21,504	-	-	21,504
Grants receivable	609,907	-	-	609,907
Unconditional promises to give, net	89,294	65,000	-	154,294
Prepaid expenses	32,386	-	-	32,386
Due from related organization	60,000	-	(60,000)	-
Property and equipment, net	<u>2,212,271</u>	<u>-</u>	<u>-</u>	<u>2,212,271</u>
<b>Total Assets</b>	<b><u>\$ 4,413,148</u></b>	<b><u>\$ 3,636,993</u></b>	<b><u>\$ (60,000)</u></b>	<b><u>\$ 7,990,141</u></b>
<b>Liabilities and Net Assets</b>				
<b>Liabilities</b>				
Accounts payable	\$ 79,019	\$ -	\$ -	\$ 79,019
Accrued payroll and payroll taxes	276,735	-	-	276,735
Other accrued liabilities	1,899	2,361	-	4,260
Refundable deposit	100	-	-	100
Due to related organization	<u>-</u>	<u>60,000</u>	<u>(60,000)</u>	<u>-</u>
<b>Total Liabilities</b>	<b><u>357,753</u></b>	<b><u>62,361</u></b>	<b><u>(60,000)</u></b>	<b><u>360,114</u></b>
<b>Net Assets</b>				
Without donor restrictions	3,656,209	3,574,632	-	7,230,841
With donor restrictions	<u>399,186</u>	<u>-</u>	<u>-</u>	<u>399,186</u>
<b>Total Net Assets</b>	<b><u>4,055,395</u></b>	<b><u>3,574,632</u></b>	<b><u>-</u></b>	<b><u>7,630,027</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 4,413,148</u></b>	<b><u>\$ 3,636,993</u></b>	<b><u>\$ (60,000)</u></b>	<b><u>\$ 7,990,141</u></b>

**CHILDREN'S AID SOCIETY OF ALABAMA & CHILDREN'S AID FOUNDATION**

**Combining Statement of Activities  
For the Year Ended September 30, 2019**

	<u>Children's Aid Society</u>	<u>Children's Aid Foundation</u>	<u>Eliminations</u>	<u>Total</u>
<b>Net Assets Without Donor Restrictions</b>				
Revenue and Support				
United Way allocation	\$ 914,510	\$ -	\$ -	\$ 914,510
Contributions and memorials	123,561	22,002	-	145,563
Investment income, net	2,847	145,586	-	148,433
Other	132,096	-	(65,500)	66,596
Event income	12,017	619	-	12,636
Restrictions released by payments	<u>4,526,585</u>	<u>-</u>	<u>-</u>	<u>4,526,585</u>
<b>Total Revenue and Support</b>	<u>5,711,616</u>	<u>168,207</u>	<u>(65,500)</u>	<u>5,814,323</u>
<b>Expenses</b>				
Program Services				
APAC	2,270,270	-	-	2,270,270
Family partners	1,948,233	-	-	1,948,233
Independent living camps & conferences	570,625	-	-	570,625
Project independence	350,084	-	-	350,084
Prevention services	56,350	-	-	56,350
Permanency planning	93,313	-	-	93,313
Supporting services				
Development	138,493	-	-	138,493
Management and general	<u>189,809</u>	<u>65,693</u>	<u>(65,500)</u>	<u>190,002</u>
<b>Total Expenses</b>	<u>5,617,177</u>	<u>65,693</u>	<u>(65,500)</u>	<u>5,617,370</u>
<b>Net Assets Without Donor Restrictions</b>	<u>94,439</u>	<u>102,514</u>	<u>-</u>	<u>196,953</u>
<b>Net Assets With Donor Restrictions</b>				
Revenue and Support				
Grant revenue	4,459,169	-	-	4,459,169
Contributions and memorials	5,085	-	-	5,085
Program service fees	<u>33,214</u>	<u>-</u>	<u>-</u>	<u>33,214</u>
Total Revenue and Support	4,497,468	-	-	4,497,468
Restrictions released by payments	<u>(4,526,585)</u>	<u>-</u>	<u>-</u>	<u>(4,526,585)</u>
<b>Net Assets With Donor Restrictions</b>	<u>(29,117)</u>	<u>-</u>	<u>-</u>	<u>(29,117)</u>
<b>Change in Net Assets</b>	65,322	102,514	-	167,836
<b>Net Assets, Beginning of Year</b>	<u>4,055,394</u>	<u>3,574,632</u>	<u>-</u>	<u>7,630,026</u>
<b>Intercompany Transfers</b>	<u>(1,000,000)</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>
<b>Net Assets, End of Year</b>	<u>\$ 3,120,716</u>	<u>\$ 4,677,146</u>	<u>\$ -</u>	<u>\$ 7,797,862</u>

**CHILDREN'S AID SOCIETY OF ALABAMA & CHILDREN'S AID FOUNDATION**

**Combining Statement of Activities  
For the Year Ended September 30, 2018**

	<b>Children's Aid Society</b>	<b>Children's Aid Foundation</b>	<b>Eliminations</b>	<b>Total</b>
<b>Net Assets Without Donor Restrictions</b>				
Revenue and Support				
United Way allocation	\$ 922,393	\$ -	\$ -	\$ 922,393
Contributions and memorials	107,042	7,780	-	114,822
Investment income, net	1,819	150,259	-	152,078
Other	132,210	-	(60,000)	72,210
Event income	18,216	550	-	18,766
Restrictions released by payments	<u>4,541,896</u>	<u>-</u>	<u>-</u>	<u>4,541,896</u>
<b>Total Revenue and Support</b>	<u>5,723,576</u>	<u>158,589</u>	<u>(60,000)</u>	<u>5,822,165</u>
<b>Expenses</b>				
Program Services				
APAC	2,181,849	-	-	2,181,849
Family partners	1,868,452	-	-	1,868,452
Independent living camps & conferences	487,397	-	-	487,397
Project independence	338,772	-	-	338,772
Prevention services	79,571	-	-	79,571
Permanency planning	77,358	-	-	77,358
Supporting services				
Development	113,215	-	-	113,215
Management and general	<u>157,413</u>	<u>60,126</u>	<u>(60,000)</u>	<u>157,539</u>
<b>Total Expenses</b>	<u>5,304,027</u>	<u>60,126</u>	<u>(60,000)</u>	<u>5,304,153</u>
<b>Net Assets Without Donor Restrictions</b>	<u>419,549</u>	<u>98,463</u>	<u>-</u>	<u>518,012</u>
<b>Net Assets With Donor Restrictions</b>				
Revenue and Support				
Grant revenue	4,406,975	-	-	4,406,975
Contributions and memorials	8,081	-	-	8,081
Program service fees	<u>11,792</u>	<u>-</u>	<u>-</u>	<u>11,792</u>
Total Revenue and Support	4,426,848	-	-	4,426,848
Restrictions released by payments	<u>(4,541,896)</u>	<u>-</u>	<u>-</u>	<u>(4,541,896)</u>
<b>Net Assets With Donor Restrictions</b>	<u>(115,048)</u>	<u>-</u>	<u>-</u>	<u>(115,048)</u>
<b>Change in Net Assets</b>	304,501	98,463	-	402,964
<b>Net Assets, Beginning of Year</b>	<u>3,750,894</u>	<u>3,476,169</u>	<u>-</u>	<u>7,227,063</u>
<b>Net Assets, End of Year</b>	<u>\$ 4,055,395</u>	<u>\$ 3,574,632</u>	<u>\$ -</u>	<u>\$ 7,630,027</u>