

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

**Combined Financial Statements
and
Supplemental Information**

**For The Years Ended
September 30, 2020 and 2019**

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

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

Nature of Operations For the Years Ended September 30, 2020 and 2019

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 statements of financial position as of September 30, 2020 and 2019, 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

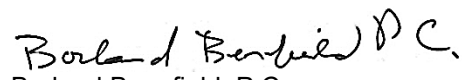
In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of CAS and the Foundation as of September 30, 2020, and the changes in the related combined statements of activities, functional expenses, and cash flows for the year then 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 statements of financial position and statements 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 February 26, 2021 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
February 26, 2021

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

Combined Statements of Financial Position

	As of September 30,	
	<u>2020</u>	<u>2019</u>
Assets		
Cash and cash equivalents	\$ 768,098	\$ 661,093
Investments, at fair value	6,394,692	4,798,049
Investment held at cost	-	21,504
Receivables		
Grants receivable	720,424	578,720
Unconditional promises to give, net	23,335	48,741
Other	6,380	7,991
Prepaid expenses	6,165	22,287
Other assets	6,390	6,390
Property and equipment, net	<u>2,028,917</u>	<u>2,133,505</u>
Total Assets	<u>\$ 9,954,401</u>	<u>\$ 8,278,280</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 81,197	\$ 93,342
Accrued payroll and payroll taxes	382,971	385,545
Other accrued liabilities	473	431
Refundable deposits	<u>1,888</u>	<u>1,100</u>
Total Liabilities	<u>466,529</u>	<u>480,418</u>
Net Assets		
Without donor restrictions	9,131,044	7,427,793
With donor restrictions	<u>356,828</u>	<u>370,069</u>
Total Net Assets	<u>9,487,872</u>	<u>7,797,862</u>
Total Liabilities and Net Assets	<u>\$ 9,954,401</u>	<u>\$ 8,278,280</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, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Support			
Grant revenue	\$ -	\$ 4,130,298	\$ 4,130,298
United Way allocation	892,900	-	892,900
Contributions and memorials	659,490	51,587	711,077
Investment income, net	406,355	-	406,355
Other	758,978	-	758,978
Event income	9,655	-	9,655
Program service fees	-	12,319	12,319
Net assets released from restrictions	<u>4,207,445</u>	<u>(4,207,445)</u>	<u>-</u>
Total Revenue and Support	<u>6,934,823</u>	<u>(13,241)</u>	<u>6,921,582</u>
Expenses			
Program Services			
APAC	2,005,439	-	2,005,439
Family partners	1,913,639	-	1,913,639
Independent living camps & conferences	385,284	-	385,284
Project independence	386,852	-	386,852
Prevention services	71,386	-	71,386
Permanency planning	85,910	-	85,910
Supporting services			
Development	160,862	-	160,862
Management and general	<u>222,200</u>	<u>-</u>	<u>222,200</u>
Total Expenses	<u>5,231,572</u>	<u>-</u>	<u>5,231,572</u>
Change in Net Assets	1,703,251	(13,241)	1,690,010
Net Assets, Beginning of Year	<u>7,427,793</u>	<u>370,069</u>	<u>7,797,862</u>
Net Assets, End of Year	<u>\$ 9,131,044</u>	<u>\$ 356,828</u>	<u>\$ 9,487,872</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, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Support			
Grant revenue	\$ -	\$ 4,459,169	\$ 4,459,169
United Way allocation	914,510	-	914,510
Contributions and memorials	146,165	5,085	151,250
Investment income	148,433	-	148,433
Other	66,613	-	66,613
Event income	12,017	-	12,017
Program service fees	-	33,214	33,214
Net assets released from restrictions	<u>4,526,585</u>	<u>(4,526,585)</u>	<u>-</u>
Total Revenue and Support	<u>5,814,323</u>	<u>(29,117)</u>	<u>5,785,206</u>
Expenses			
Program Services			
APAC	2,270,269	-	2,270,269
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>190,002</u>	<u>-</u>	<u>190,002</u>
Total Expenses	<u>5,617,370</u>	<u>-</u>	<u>5,617,370</u>
Change in Net Assets	196,953	(29,117)	167,836
Net Assets, Beginning of Year	<u>7,230,840</u>	<u>399,186</u>	<u>7,630,026</u>
Net Assets, End of Year	<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 Functional Expenses
For the Year Ended September 30, 2020**

	<u>APAC</u>	<u>Family Partners</u>	<u>ILC&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>
Functional Expenses									
Salaries and Related Costs									
Salaries	\$ 942,979	\$ 945,683	\$ 144,450	\$ 126,948	\$ 37,142	\$ 45,004	\$ 78,177	\$ 538,829	\$ 2,859,212
Payroll taxes	67,222	66,553	10,282	8,917	2,628	3,389	5,313	43,835	208,139
Employee benefits & other payroll costs	205,106	206,617	30,238	30,756	7,667	5,385	12,309	89,071	587,149
Total Salaries and Related Costs	<u>1,215,307</u>	<u>1,218,853</u>	<u>184,970</u>	<u>166,621</u>	<u>47,437</u>	<u>53,778</u>	<u>95,799</u>	<u>671,735</u>	<u>3,654,500</u>
Other Expenses									
Assistance to individuals	89,853	2,693	94,312	106,315	817	-	-	3,244	297,234
Reimbursement staff mileage	36,761	119,039	3,050	2,430	476	212	135	2,749	164,852
Professional fees and service contracts	36,149	33,119	5,772	5,736	2,198	5,728	3,505	133,473	225,680
Occupancy	91,681	36,619	12,658	6,738	2,904	4,628	5,035	5,496	165,759
Contract labor	-	102,151	-	12,182	-	3,690	48	-	118,071
Education	39,515	28	9,682	3,132	-	-	395	30,417	83,169
Telephone and internet	14,713	24,928	3,139	2,248	465	315	629	19,575	66,012
Insurance	17,790	11,906	2,976	1,488	497	497	-	29,656	64,810
Recruitment staff and families	49,998	401	45	146	25	(537)	-	85	50,163
Supplies	5,346	1,056	597	2,161	372	42	460	11,508	21,542
Agency sponsored events	16,655	1,800	-	-	856	-	20	7,145	26,476
Travel	3,549	42	11,924	-	-	-	-	203	15,718
Printing and reproduction	8,236	585	331	121	219	116	3,095	1,110	13,813
Organization dues and subscriptions	632	-	24	49	-	-	2,915	7,160	10,780
Bank fees	-	-	-	-	-	-	-	7,207	7,207
Consultation	6,696	78	258	3,035	-	-	-	-	10,067
Postage and shipping	4,332	179	29	15	470	46	747	1,720	7,538
Miscellaneous	88	2,125	-	4,052	721	178	18,230	18,474	43,868
In-kind	644	-	-	18,581	64	-	-	21,497	40,786
Equipment repairs and maintenance	-	-	-	1,825	-	-	-	6,620	8,445
Library supplies	3,337	-	-	-	-	-	-	-	3,337
Equipment rental/lease	-	-	513	-	-	-	-	478	991
Total Other Expenses	<u>425,975</u>	<u>336,749</u>	<u>145,310</u>	<u>170,254</u>	<u>10,084</u>	<u>14,915</u>	<u>35,214</u>	<u>307,817</u>	<u>1,446,318</u>
Total expenses before depreciation and indirect cost allocation	1,641,282	1,555,602	330,280	336,875	57,521	68,693	131,013	979,552	5,100,818
Depreciation	11,392	12,218	1,178	1,722	587	419	272	102,966	130,754
Indirect cost allocation	<u>352,765</u>	<u>345,819</u>	<u>53,826</u>	<u>48,255</u>	<u>13,278</u>	<u>16,798</u>	<u>29,577</u>	<u>(860,318)</u>	<u>-</u>
Total Functional Expenses	<u>\$ 2,005,439</u>	<u>\$ 1,913,639</u>	<u>\$ 385,284</u>	<u>\$ 386,852</u>	<u>\$ 71,386</u>	<u>\$ 85,910</u>	<u>\$ 160,862</u>	<u>\$ 222,200</u>	<u>\$ 5,231,572</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&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>
Functional Expenses									
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
Contract labor	-	99,082	-	3,023	1,622	-	-	-	103,727
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	116	-	200	-	-	-	-	541	857
Total Other Expenses	<u>593,176</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>1,752,184</u>
Total expenses before depreciation and indirect cost allocation	1,907,084	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>
Total Functional Expenses	<u>\$ 2,270,269</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 Cash Flows

	For the Years Ended September	
	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Cash received from United Way	\$ 892,900	\$ 914,510
Foundation and government grant receipts	3,988,594	4,490,356
Contributions receipts	738,094	248,210
Interest received	92,576	130,556
Special event receipts	9,678	12,636
Other income received	838,061	166,309
Cash paid for programs and operations	<u>(5,185,170)</u>	<u>(5,446,306)</u>
Net Cash Provided by Operating Activities	<u>1,374,733</u>	<u>516,271</u>
Cash Flows From Investing Activities		
Purchase of investment securities	(2,237,847)	(3,803,136)
Proceeds from sales of investments	1,002,157	2,606,382
Acquisition of property, plant and equipment	<u>(32,038)</u>	<u>(54,414)</u>
Net Cash (Used) by Investing Activities	<u>(1,267,728)</u>	<u>(1,251,168)</u>
Net Change in Cash and Cash Equivalents	107,005	(734,897)
Cash and Cash Equivalents, Beginning of Year	<u>661,093</u>	<u>1,395,990</u>
Cash and Cash Equivalents, End of Year	<u>\$ 768,098</u>	<u>\$ 661,093</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, 2020 and 2019

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.

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, 2020 and 2019

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 65% of its annual budget income from the Alabama Department of Human Resources and 15% from the United Way of Central Alabama (United Way). At year-end, approximately 94% 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 Statements 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, 2020, 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 2017 and subsequent years remain subject to examination by tax authorities.

Adoption of New Accounting Principle - In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers (ASC 606) and all related amendments. ASC 606 supersedes most existing revenue recognition guidance. ASC 606 provides a principles-based framework for recognizing revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration the entity expects in exchange for the goods or services provided. It also requires enhanced disclosures to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. CAS adopted ASC 606 and all related amendments using the modified retrospective transition method. CAS concluded that the adoption of the new standard did not require an adjustment to the opening net asset balance and no timing or recognition changes are necessary to conform with the standard.

See independent auditor's report.

CHILDREN'S AID SOCIETY & CHILDREN'S AID FOUNDATION

Notes to Financial Statements (continued) For the Years Ended September 30, 2020 and 2019

Note 1 – Summary of Significant Accounting Policies (continued)

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, 2021.

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.

Total financial assets (1)	\$ 7,912,929
Less those for restricted use	
Donor restricted funds	<u>(356,828)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 7,556,101</u>

(1) – Total financial assets at year-end consists of cash and equivalents, investments, and total receivables.

Note 3 – 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 \$567,357 and \$560,293 at September 30, 2020 and 2019, respectively.

Investment accounts are covered by the Securities Investor Protection Corporation (SIPC), up to \$500,000. As of September 30, 2020 and 2019, the amount of unsecured investments totaled \$5,894,692 and \$4,298,049, respectively.

Note 4 – Promises to Give

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

	<u>2020</u>	<u>2019</u>
Receivables in less than one year	\$ 23,335	\$ 56,991
Receivables in one to five years	<u>-</u>	<u>-</u>
Total Unconditional Promises to Give	23,335	56,991
Less: Discounts to net present value	<u>-</u>	<u>(259)</u>
Total	<u>\$ 23,335</u>	<u>\$ 56,732</u>

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

See independent auditor’s report.

CHILDREN'S AID SOCIETY & CHILDREN'S AID FOUNDATION

**Notes to Financial Statements (continued)
For the Years Ended September 30, 2020 and 2019**

Note 5 – 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.

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, 2020</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	\$	145,160	\$	145,160	\$	-	\$	-	
Investments:									
Fixed income funds		2,467,217		2,251,217		216,000		-	
Equities funds		3,782,315		3,782,315		-		-	
Total	\$	<u>6,394,692</u>	\$	<u>6,178,692</u>	\$	<u>216,000</u>	\$	<u>-</u>	
	<u>September 30, 2019</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>	

See independent auditor's report.

CHILDREN'S AID SOCIETY & CHILDREN'S AID FOUNDATION

**Notes to Financial Statements (continued)
For the Years Ended September 30, 2020 and 2019**

Note 6 – Investments

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

September 30, 2020

	Cost or Amortized Cost	Carrying Value	Unrealized Appreciation (Depreciation)
Cash	\$ 145,160	\$ 145,160	\$ -
U.S. Equities	2,158,793	2,599,039	440,246
International Equities	1,176,880	1,183,276	6,396
Fixed Income	2,471,323	2,467,217	(4,106)
Total Investments at Fair Value	<u>\$ 5,952,156</u>	<u>\$ 6,394,692</u>	<u>\$ 442,536</u>

September 30, 2019

	Cost or Amortized Cost	Carrying Value	Unrealized Appreciation (Depreciation)
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	1,890,432	1,890,750	318
Total Investments at Fair Value	<u>\$ 4,713,235</u>	<u>\$ 4,798,049</u>	<u>\$ 84,814</u>

All assets have been valued using a market approach.

CAS also held an investment valued at a cost of \$21,504 as of September 30, 2019 which was sold during the 2020 fiscal year.

Investment income as for September 30:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 92,576	\$ 130,557
Realized (loss)	(19,166)	(7,951)
Unrealized gain	354,187	44,477
Investment expenses	(21,242)	(18,650)
Total Net Investment Income	<u>\$ 406,355</u>	<u>\$ 148,433</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, 2020 and 2019

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>2020</u>	<u>2019</u>
Building and improvements	\$ 2,487,017	\$ 2,481,307
Furniture and fixtures	444,492	440,611
Less: Accumulated depreciation	<u>(902,592)</u>	<u>(788,413)</u>
Property and Equipment, net	<u>\$ 2,028,917</u>	<u>\$ 2,133,505</u>

The total amount of depreciation for 2020 and 2019 was \$130,754 and \$132,200, respectively.

Note 8 – Operating Leases

CAS rents office space and equipment under operating leases expiring in various years through 2023. Future minimum lease payments for the years ended September 30:

2021	\$ 49,692
2022	24,048
2023	<u>24,048</u>
Total	<u>\$ 97,788</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, 2020 and 2019, total agency contributions amounted to \$247,636 and \$217,305, respectively.

Note 10 – Net Assets With Donor Restrictions

Net assets with donor restrictions totaled \$356,828 and \$370,069 at September 30, 2020 and 2019, respectively. The amounts in 2020 and 2019 were restricted for unconditional promises to give and other programs.

Note 11 – Payroll Protection Program Loan

On April 28, 2020, CAS received loan proceeds in the amount of \$700,000 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four-week period.

CAS anticipated the loan to be forgiven in full at year-end and recognized the proceeds as other income for the current audit period. Forgiveness confirmation was received December 14, 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, 2020 and 2019

Note 12 – Subsequent Events

As of the date of these financial statements, the recent spread of coronavirus has had a significant impact on the local, national, and global economies. The extent to which these events will affect our results of operations and financial position remains uncertain.

CAS's management has evaluated subsequent events through February 26, 2021, the date the financial statements were available to be issued.

**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, 2020, and have issued our report thereon dated February 26, 2021.

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 auditing procedures that are appropriate in the circumstances 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 financial statements. 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
February 26, 2021

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, 2020. 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, 2020.


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
February 26, 2021

CHILDREN'S AID SOCIETY OF ALABAMA

**Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2020**

Federal Grantor/ Pass-through Grantor Program Title	CFDA Number	Pass-Through Grantor Number	Federal Expenditures
U.S. Department of Health and Human Services Promoting Safe and Stable Families Alabama Pre/Post Adoption Connections (APAC) Passed Through the AL Dept of Human Resources	93.556	C150164538	\$ 1,353,996
Family Partners (IIHS) Passed Through the AL Dept of Human Resources	93.556	C170165001	<u>1,124,538</u>
Sub-total			2,478,534
Transitional Living for Homeless Youth	93.550	N/A	226,215
Child Abuse and Neglect State Grants Passed through the Children's Trust Fund	93.669	CBCAP 2019-605	30,000
Independent Living Conference & Camps Passed Through the AL Dept of Human Resources	93.674	C150164517	<u>245,886</u>
Total U.S. Department of Health and Human Services			<u>\$ 2,980,635</u>
Total			<u>\$ 2,980,635</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, 2020. 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, 2020

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, 2020**

	Children's Aid Society	Children's Aid Foundation	Eliminations	Total
Assets				
Cash and cash equivalents	\$ 760,148	\$ 7,950	\$ -	\$ 768,098
Investments	-	6,394,692	-	6,394,692
Receivables				
Grants receivable	720,424	-	-	720,424
Unconditional promises to give, net	23,335	-	-	23,335
Other	6,380	-	-	6,380
Prepaid expenses	6,165	-	-	6,165
Other assets	6,390	-	-	6,390
Property and equipment, net	<u>2,028,917</u>	<u>-</u>	<u>-</u>	<u>2,028,917</u>
Total Assets	<u>\$ 3,551,759</u>	<u>\$ 6,402,642</u>	<u>\$ -</u>	<u>\$ 9,954,401</u>
Liabilities and Net Assets				
Liabilities				
Accounts payable	\$ 76,911	\$ 4,286	\$ -	\$ 81,197
Accrued payroll and payroll taxes	382,971	-	-	382,971
Other accrued liabilities	473	-	-	473
Refundable deposit	<u>1,888</u>	<u>-</u>	<u>-</u>	<u>1,888</u>
Total Liabilities	<u>462,243</u>	<u>4,286</u>	<u>-</u>	<u>466,529</u>
Net Assets				
Without donor restrictions	2,732,688	6,398,356	-	9,131,044
With donor restrictions	<u>356,828</u>	<u>-</u>	<u>-</u>	<u>356,828</u>
Total Net Assets	<u>3,089,516</u>	<u>6,398,356</u>	<u>-</u>	<u>9,487,872</u>
Total Liabilities and Net Assets	<u>\$ 3,551,759</u>	<u>\$ 6,402,642</u>	<u>\$ -</u>	<u>\$ 9,954,401</u>

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

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

	<u>Children's Aid Society</u>	<u>Children's Aid Foundation</u>	<u>Eliminations</u>	<u>Total</u>
Assets				
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
Receivables				
Grants receivable	578,720	-	-	578,720
Unconditional promises to give, net	48,741	-	-	48,741
Other	7,991	-	-	7,991
Prepaid expenses	22,287	-	-	22,287
Other assets	6,390	-	-	6,390
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>
Total Assets	<u>\$ 3,598,134</u>	<u>\$ 4,800,146</u>	<u>\$ (120,000)</u>	<u>\$ 8,278,280</u>
Liabilities and Net Assets				
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	-	120,000	(120,000)	-
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>
Total Liabilities and Net Assets	<u>\$ 3,598,134</u>	<u>\$ 4,800,146</u>	<u>\$ (120,000)</u>	<u>\$ 8,278,280</u>

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

**Combining Statement of Activities
For the Year Ended September 30, 2020**

	<u>Children's Aid Society</u>	<u>Children's Aid Foundation</u>	<u>Eliminations</u>	<u>Total</u>
Net Assets Without Donor Restrictions				
Revenue and Support				
United Way allocation	\$ 892,900	\$ -	\$ -	\$ 892,900
Contributions and memorials	156,802	502,688	-	659,490
Investment income, net	1,811	404,544	-	406,355
Other	824,954	24	(66,000)	758,978
Event income	9,655	-	-	9,655
Restrictions released by payments	4,207,445	-	-	4,207,445
Total Revenue and Support	<u>6,093,567</u>	<u>907,256</u>	<u>(66,000)</u>	<u>6,934,823</u>
Expenses				
Program Services				
APAC	2,005,439	-	-	2,005,439
Family partners	1,913,639	-	-	1,913,639
Independent living camps & conferences	385,284	-	-	385,284
Project independence	386,852	-	-	386,852
Prevention services	71,386	-	-	71,386
Permanency planning	85,910	-	-	85,910
Supporting services				
Development	160,862	-	-	160,862
Management and general	222,154	66,046	(66,000)	222,200
Total Expenses	<u>5,231,526</u>	<u>66,046</u>	<u>(66,000)</u>	<u>5,231,572</u>
Net Assets Without Donor Restrictions	<u>862,041</u>	<u>841,210</u>	<u>-</u>	<u>1,703,251</u>
Net Assets With Donor Restrictions				
Revenue and Support				
Grant revenue	4,130,298	-	-	4,130,298
Contributions and memorials	51,587	-	-	51,587
Program service fees	12,319	-	-	12,319
Total Revenue and Support	4,194,204	-	-	4,194,204
Restrictions released by payments	(4,207,445)	-	-	(4,207,445)
Net Assets With Donor Restrictions	<u>(13,241)</u>	<u>-</u>	<u>-</u>	<u>(13,241)</u>
Change in Net Assets	848,800	841,210	-	1,690,010
Net Assets, Beginning of Year	<u>3,120,716</u>	<u>4,677,146</u>	<u>-</u>	<u>7,797,862</u>
Intercompany Transfers	<u>(880,000)</u>	<u>880,000</u>	<u>-</u>	<u>-</u>
Net Assets, End of Year	<u>\$ 3,089,516</u>	<u>\$ 6,398,356</u>	<u>\$ -</u>	<u>\$ 9,487,872</u>

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

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

	Children's Aid Society	Children's Aid Foundation	Eliminations	Total
Net Assets Without Donor Restrictions				
Revenue and Support				
United Way allocation	\$ 914,510	\$ -	\$ -	\$ 914,510
Contributions and memorials	123,561	22,604	-	146,165
Investment income, net	2,847	145,586	-	148,433
Other	132,096	17	(65,500)	66,613
Event income	12,017	-	-	12,017
Restrictions released by payments	<u>4,526,585</u>	<u>-</u>	<u>-</u>	<u>4,526,585</u>
Total Revenue and Support	<u>5,711,616</u>	<u>168,207</u>	<u>(65,500)</u>	<u>5,814,323</u>
Expenses				
Program Services				
APAC	2,270,269	-	-	2,270,269
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>
Total Expenses	<u>5,617,177</u>	<u>65,693</u>	<u>(65,500)</u>	<u>5,617,370</u>
Net Assets Without Donor Restrictions	<u>94,439</u>	<u>102,514</u>	<u>-</u>	<u>196,953</u>
Net Assets With Donor Restrictions				
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>
Net Assets With Donor Restrictions	<u>(29,117)</u>	<u>-</u>	<u>-</u>	<u>(29,117)</u>
Change in Net Assets	65,322	102,514	-	167,836
Net Assets, Beginning of Year	<u>4,055,394</u>	<u>3,574,632</u>	<u>-</u>	<u>7,630,026</u>
Intercompany Transfers	<u>(1,000,000)</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>
Net Assets, End of Year	<u>\$ 3,120,716</u>	<u>\$ 4,677,146</u>	<u>\$ -</u>	<u>\$ 7,797,862</u>