

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

**Combined Financial Statements
and
Supplemental Information**

**For The Years Ended
September 30, 2018 and 2017**

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

Table of Contents
For the Years Ended September 30, 2018 and 2017

Nature of Operations	1
Independent Auditor's Report	2-3
Combined Statement of Financial Position	4
Combined Statement of Activities - 2018	5
Combined Statement of Activities – 2017	6
Combined Statement of Cash Flows	7
Combined Statement of Functional Expenses – 2018	8
Combined Statement of Functional Expenses – 2017	9
Notes to Financial Statements	10-14
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 <i>Government Auditing Standards</i>	15-16
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	17-18
Supplemental Information	
Schedule of Expenditures of Federal Awards	19
Schedule of Findings and Questioned Costs	20
Combining Statement of Financial Position - 2018	21
Combining Statement of Financial Position – 2017	22
Combining Statement of Activities – 2018	23
Combining Statement of Activities - 2017	24

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

Nature of Operations For the Year Ended September 30, 2018

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.

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, 2018 and 2017, and the related combined statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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, 2018, 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 February 11, 2019, 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 11, 2019

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

Combined Statement of Financial Position

	As of September 30,	
	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 1,395,989	\$ 2,366,277
Investments	3,563,789	2,093,181
Investment held at cost	21,504	20,000
Grants receivable	609,907	732,965
Unconditional promises to give, net	154,294	142,156
Prepaid expenses	32,386	40,364
Property and equipment, net	<u>2,212,271</u>	<u>2,187,653</u>
Total Assets	<u>\$ 7,990,140</u>	<u>\$ 7,582,596</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 79,019	\$ 86,692
Accrued payroll and payroll taxes	276,735	265,199
Other accrued liabilities	4,260	2,942
Refundable deposits	<u>100</u>	<u>700</u>
Total Liabilities	<u>360,114</u>	<u>355,533</u>
Net Assets		
Unrestricted	7,230,840	6,712,829
Temporarily restricted	<u>399,186</u>	<u>514,234</u>
Total Net Assets	<u>7,630,026</u>	<u>7,227,063</u>
Total Liabilities and Net Assets	<u>\$ 7,990,140</u>	<u>\$ 7,582,596</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>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and Support			
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	117,647	-	117,647
Other	72,209	-	72,209
Event income	18,766	-	18,766
Program service fees	-	11,792	11,792
Realized gain	233,739	-	233,739
Unrealized (loss)	(183,085)	-	(183,085)
Net assets released from restrictions	4,541,896	(4,541,896)	-
Total Revenue and Support	<u>5,838,387</u>	<u>(115,048)</u>	<u>5,723,339</u>
Expenses			
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	173,762	-	173,762
Total Expenses	<u>5,320,376</u>	<u>-</u>	<u>5,320,376</u>
Change in Net Assets	518,011	(115,048)	402,963
Net Assets, Beginning of Year	<u>6,712,829</u>	<u>514,234</u>	<u>7,227,063</u>
Net Assets, End of Year	<u>\$ 7,230,840</u>	<u>\$ 399,186</u>	<u>\$ 7,630,026</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, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and Support			
Grant revenue	\$ -	\$ 4,353,785	\$ 4,353,785
United Way allocation	939,143	-	939,143
Contributions and memorials	248,346	7,026	255,372
Investment income	67,855	-	67,855
Other	23,810	-	23,810
Event income	18,830	-	18,830
Program service fees	-	16,133	16,133
Realized gain	14,543	-	14,543
Unrealized gain	96,373	-	96,373
Net assets released from restrictions	<u>4,021,810</u>	<u>(4,021,810)</u>	<u>-</u>
Total Revenue and Support	<u>5,430,710</u>	<u>355,134</u>	<u>5,785,844</u>
Expenses			
Program Services			
APAC	2,059,936	-	2,059,936
Family Partners	1,898,558	-	1,898,558
Independent Living Camps & Conferences	380,087	-	380,087
Project Independence	302,328	-	302,328
Prevention Services	64,710	-	64,710
Permanency Planning	37,104	-	37,104
Supporting Services			
Development	93,237	-	93,237
Management and general	<u>158,856</u>	<u>-</u>	<u>158,856</u>
Total Expenses	<u>4,994,816</u>	<u>-</u>	<u>4,994,816</u>
Change in Net Assets	435,894	355,134	791,028
Net Assets, Beginning of Year	<u>6,276,935</u>	<u>159,100</u>	<u>6,436,035</u>
Net Assets, End of Year	<u>\$ 6,712,829</u>	<u>\$ 514,234</u>	<u>\$ 7,227,063</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>2018</u>	<u>2017</u>
Cash Flows From Operating Activities		
Cash received from United Way	\$ 922,393	\$ 939,143
Foundation and government grant income received	4,530,031	4,366,440
Contributions received	138,441	328,904
Interest received	117,647	67,855
Special event income	18,766	18,830
Other income received	70,622	43,226
Cash paid for programs and operations	<u>(5,192,031)</u>	<u>(4,851,662)</u>
Net Cash Provided by Operating Activities	<u>605,869</u>	<u>912,736</u>
Cash Flows From Investing Activities		
Purchase of investment securities	(4,472,488)	(778,127)
Proceeds from sales of investments	3,052,278	411,010
Acquisition of property, plant and equipment	<u>(155,947)</u>	<u>(75,619)</u>
Net Cash (Used) by Investing Activities	<u>(1,576,157)</u>	<u>(442,736)</u>
Net Change in Cash and Cash Equivalents	(970,288)	470,000
Cash and Cash Equivalents, Beginning of Year	<u>2,366,277</u>	<u>1,896,277</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,395,989</u>	<u>\$ 2,366,277</u>
Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities		
Change in net assets	\$ 402,963	\$ 791,028
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	130,081	121,490
Unrealized holding (gain)/loss	183,085	(96,373)
Gain on sale of investments	(233,739)	(14,543)
Change in operating assets and liabilities:		
Grants receivable	123,058	12,655
Unconditional promises to give	(12,138)	73,532
Prepaid expenses	7,978	13,946
Other assets	-	3,783
Accounts payable	(7,673)	25,319
Accrued payroll and payroll taxes	11,536	15,061
Deferred revenue	(600)	-
Refundable deposits	-	(500)
Other accrued liabilities	<u>1,318</u>	<u>(32,662)</u>
Net Cash Provided by Operating Activities	<u>\$ 605,869</u>	<u>\$ 912,736</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&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	\$ 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>
Other Expenses									
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	102,417	319,668
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
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
In-kind	98	-	-	10,444	-	-	-	-	10,542
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>250,813</u>	<u>1,715,646</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	872,305	5,190,266
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>	-
Total Functional Expenses	<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>\$ 173,762</u>	<u>\$ 5,320,376</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, 2017**

	<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	\$ 931,330	\$ 886,072	\$ 111,587	\$ 120,160	\$ 34,469	\$ 20,970	\$ 49,136	\$ 409,882	\$ 2,563,606
Benefits and other payroll costs	<u>225,380</u>	<u>230,081</u>	<u>30,190</u>	<u>32,061</u>	<u>8,746</u>	<u>3,411</u>	<u>10,260</u>	<u>120,592</u>	<u>660,721</u>
Total Salaries and Related Costs	<u>1,156,710</u>	<u>1,116,153</u>	<u>141,777</u>	<u>152,221</u>	<u>43,215</u>	<u>24,381</u>	<u>59,396</u>	<u>530,474</u>	<u>3,224,327</u>
Other Expenses									
Assistance to individuals	297,456	371	171,503	79,106	3,095	-	23	-	551,554
Reimbursement staff mileage	46,396	222,056	2,895	2,284	-	-	9	6,193	279,833
Professional fees and service contracts	33,421	114,830	4,903	5,989	2,384	2,869	10,556	83,300	258,252
Occupancy	81,063	35,706	13,015	9,575	3,384	1,848	2,861	(5,010)	142,442
Consultation	-	46,817	-	-	-	-	-	47,430	94,247
Telephone and internet	12,350	29,718	546	4,067	25	13	25	28,530	75,274
Education	29,537	4,505	2,797	3,159	305	-	-	18,275	58,578
Insurance	9,800	-	-	-	-	-	-	27,670	37,470
Agency sponsored events	12,616	-	167	498	495	-	91	12,777	26,644
Recruitment staff and families	18,366	1,158	97	589	11	-	-	566	20,787
Travel	12,476	6,118	1,048	105	-	-	-	984	20,731
Supplies	5,716	2,699	1,012	309	156	66	609	8,968	19,535
Printing and reproduction	11,736	1,146	216	180	206	54	1,830	1,140	16,508
Organization dues and subscriptions	360	-	90	1,290	-	-	-	9,239	10,979
Equipment repairs and maintenance	1,436	1,115	-	317	-	-	-	6,887	9,755
Bank fees	-	-	-	-	-	-	-	9,406	9,406
Postage and shipping	4,260	15	39	55	36	39	527	2,269	7,240
Equipment rental/lease	3,222	835	15	-	5	3	-	515	4,595
Contract labor	-	-	-	2,150	-	-	-	-	2,150
Library supplies	1,527	-	-	-	-	-	-	-	1,527
Miscellaneous	-	-	-	-	-	-	-	1,490	1,490
Total Other Expenses	<u>581,738</u>	<u>467,089</u>	<u>198,343</u>	<u>109,673</u>	<u>10,102</u>	<u>4,892</u>	<u>16,531</u>	<u>260,630</u>	<u>1,648,998</u>
Total expenses before depreciation and indirect cost allocation	1,738,448	1,583,242	340,120	261,894	53,317	29,273	75,927	791,104	4,873,325
Depreciation	10,319	16,670	1,292	175	-	623	486	91,925	121,490
Indirect cost allocation	<u>311,169</u>	<u>298,646</u>	<u>38,675</u>	<u>40,259</u>	<u>11,393</u>	<u>7,208</u>	<u>16,824</u>	<u>(724,173)</u>	<u>-</u>
Total Functional Expenses	\$ 2,059,936	\$ 1,898,558	\$ 380,087	\$ 302,328	\$ 64,710	\$ 37,104	\$ 93,237	\$ 158,856	\$ 4,994,815

See accompanying notes to financial statements.

CHILDREN'S AID SOCIETY & CHILDREN'S AID FOUNDATION

Notes to Financial Statements For the Years Ended September 30, 2018 and 2017

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 – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with *Generally Accepted Accounting Principles*. Net assets, revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

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.

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.

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.

See independent auditor's report.

CHILDREN'S AID SOCIETY & CHILDREN'S AID FOUNDATION

Notes to Financial Statements (continued) For the Years Ended September 30, 2018 and 2017

Note 1 – Summary of Significant Accounting Policies (continued)

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of CAS and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Permanently Restricted Net Assets – There are no permanently restricted net assets.

Contributions – Support that is restricted by the donor is reported as an increase in unrestricted net assets 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 temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

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.

Income Taxes – CAS is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code. As of September 30, 2018, 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 2015 and subsequent years remain subject to examination by tax authorities.

Recent 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*. The new guidance simplifies and improves how not-for-profit entities classify net assets as well as the information presented in financial statements and notes about liquidity, financial performance and cash flows. The provisions of the update are effective for annual financial statements issued for fiscal years beginning after December 15, 2017.

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, 2019.

See independent auditor's report.

CHILDREN'S AID SOCIETY & CHILDREN'S AID FOUNDATION

**Notes to Financial Statements (continued)
For the Years Ended September 30, 2018 and 2017**

Note 2 – 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, 2018</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	\$	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>
 <u>September 30, 2017</u>								
Cash and equivalents	\$	94,986	\$	94,986	\$	-	\$	-
Investments:								
Fixed income funds		809,227		809,227		-		-
Equities funds		1,013,859		1,013,859		-		-
Real asset funds		175,109		175,109		-		-
Total	\$	<u>2,093,181</u>	\$	<u>2,093,181</u>	\$	<u>-</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, 2018 and 2017

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 \$1,316,310 and \$1,990,765 at September 30, 2018 and 2017, respectively.

Note 4 – Promises to Give

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

	<u>2018</u>	<u>2017</u>
Receivables in less than one year	\$ 45,000	\$ 39,650
Receivables in one to five years	<u>109,904</u>	<u>104,028</u>
Total Unconditional Promises to Give	154,904	143,678
Less: Discounts to net present value	<u>(610)</u>	<u>(1,522)</u>
Total	<u>\$ 154,294</u>	<u>\$ 142,156</u>

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

Note 5 – Investments

Investments are stated at fair value, using Level 1 and 2 inputs, and are summarized as follows at September 30:

Investments Held at National Bank of Commerce

Equity Mutual Funds

	<u>2018</u>	<u>2017</u>
Cost	\$ 2,090,327	\$ 1,869,758
Fair value	<u>2,141,452</u>	<u>2,093,181</u>
Appreciation	<u>\$ 51,125</u>	<u>\$ 223,423</u>

Fixed Income Funds

	<u>2018</u>	<u>2017</u>
Cost	\$ 1,421,269	\$ -
Fair value	<u>1,417,769</u>	<u>-</u>
Appreciation	<u>\$ (3,500)</u>	<u>\$ -</u>

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

Investment income net of expenses was \$168,300 and \$178,771 for September 30, 2018 and 2017, 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, 2018 and 2017

Note 6 – 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>2018</u>	<u>2017</u>
Building and improvements	\$ 2,454,907	\$ 2,339,524
Furniture and fixtures	442,380	440,411
Less: accumulated depreciation	<u>(685,016)</u>	<u>(592,282)</u>
Property and Equipment, net	<u>\$ 2,212,271</u>	<u>\$ 2,187,653</u>

The total amount of depreciation for 2018 and 2017 was \$130,110 and \$121,490, respectively.

Note 7 – Operating Leases

CAS rents office space and equipment under an operating lease expiring in various years through 2018. Future minimum lease payments for the years ended September 30:

2019	\$ 50,526
2020	<u>24,048</u>
Total	<u>\$ 74,574</u>

Note 8 – 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, 2018 and 2017, total agency contributions amounted to \$193,845 and \$200,398, respectively.

Note 9 – Temporarily Restricted Net Assets

Temporarily restricted net assets totaled \$399,186 and \$514,234 at September 30, 2018 and 2017, respectively. The amounts in 2018 and 2017 were restricted for unconditional promises to give and other programs.

Note 10 – Subsequent Events

CAS's management has evaluated subsequent events through February 11, 2019, 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, 2018, and have issued our report thereon dated February 11, 2019.

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
February 11, 2019

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, 2018. 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, 2018.

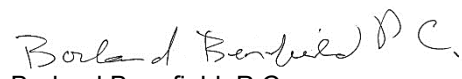
Report on Internal Control Over Compliance

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 11, 2019

CHILDREN'S AID SOCIETY OF ALABAMA

**Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2018**

Federal Grantor/ Pass-through Grantor Program Title	CFDA Number	Agency or Pass-Through Number	Federal Expenditures
U.S. Department of Health and Human Services Promoting Safe and Stable Families/Passed Through the AL Dept of Human Resources/APAC Post-Adoption	93.556	4001	\$ 1,199,598
Promoting Safe and Stable Families/Passed Through the AL Dept of Human Resources/APAC Pre-Adoption	93.556	4538	349,263
Family Partners Passed Through the AL Dept of Human Resources	93.556	5001	<u>1,119,905</u>
Sub-total			2,668,766
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	26,250
Independent Living Conference & Camps Passed Through the AL Dept of Human Resources	93.674	4517	<u>301,395</u>
Total			<u>\$ 3,191,137</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, 2018. 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, 2018

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, 2018**

	Children's Aid Society	Children's Aid Foundation	Eliminations	Total
Assets				
Cash and cash equivalents	\$ 1,387,786	8,203	\$ -	\$ 1,395,989
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>
Total Assets	<u>\$ 4,413,148</u>	<u>\$ 3,636,992</u>	<u>\$ (60,000)</u>	<u>\$ 7,990,140</u>
Liabilities and Net Assets				
Liabilities				
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>
Total Liabilities	<u>357,753</u>	<u>62,361</u>	<u>(60,000)</u>	<u>360,114</u>
Net Assets				
Unrestricted	3,656,209	3,574,632	-	7,230,840
Temporarily restricted	<u>399,186</u>	<u>-</u>	<u>-</u>	<u>399,186</u>
Total Net Assets	<u>4,055,395</u>	<u>3,574,632</u>	<u>-</u>	<u>7,630,026</u>
Total Liabilities and Net Assets	<u>\$ 4,413,148</u>	<u>\$ 3,636,993</u>	<u>\$ (60,000)</u>	<u>\$ 7,990,140</u>

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

**Combining Statement of Financial Position
As of September 30, 2017**

	Children's Aid Society	Children's Aid Foundation	Eliminations	Total
Assets				
Cash and cash equivalents	\$ 1,048,289	\$ 1,317,988	\$ -	\$ 2,366,277
Investments	-	2,093,181	-	2,093,181
Investment held at cost	20,000	-	-	20,000
Grants receivable	732,965	-	-	732,965
Unconditional promises to give, net	77,156	65,000	-	142,156
Prepaid expenses	40,364	-	-	40,364
Property and equipment, net	<u>2,187,653</u>	<u>-</u>	<u>-</u>	<u>2,187,653</u>
Total Assets	<u>\$ 4,106,427</u>	<u>\$ 3,476,169</u>	<u>\$ -</u>	<u>\$ 7,582,596</u>
Liabilities and Net Assets				
Liabilities				
Accounts payable	\$ 86,692	\$ -	\$ -	\$ 86,692
Accrued payroll and payroll taxes	265,199	-	-	265,199
Other accrued liabilities	2,942	-	-	2,942
Refundable deposit	<u>700</u>	<u>-</u>	<u>-</u>	<u>700</u>
Total Liabilities	<u>355,533</u>	<u>-</u>	<u>-</u>	<u>355,533</u>
Net Assets				
Unrestricted	3,236,660	3,476,169	-	6,712,829
Temporarily restricted	<u>514,234</u>	<u>-</u>	<u>-</u>	<u>514,234</u>
Total Net Assets	<u>3,750,894</u>	<u>3,476,169</u>	<u>-</u>	<u>7,227,063</u>
Total Liabilities and Net Assets	<u>\$ 4,106,427</u>	<u>\$ 3,476,169</u>	<u>\$ -</u>	<u>\$ 7,582,596</u>

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

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

	<u>Children's Aid Society</u>	<u>Children's Aid Foundation</u>	<u>Eliminations</u>	<u>Total</u>
Unrestricted Net Assets				
Revenue and Support				
United Way allocation	\$ 922,393	\$ -	\$ -	\$ 922,393
Contributions and memorials	107,042	7,780	-	114,822
Investment income	1,819	115,828	-	117,647
Other	132,209	-	(60,000)	72,209
Event income	18,216	550	-	18,766
Realized gain	-	233,739	-	233,739
Unrealized (loss)	-	(183,085)	-	(183,085)
Restrictions released by payments	<u>4,541,896</u>	-	-	<u>4,541,896</u>
Total Revenue and Support	<u>5,723,575</u>	<u>174,812</u>	<u>(60,000)</u>	<u>5,838,387</u>
Expenses				
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>76,349</u>	<u>(60,000)</u>	<u>173,762</u>
Total Expenses	<u>5,304,027</u>	<u>76,349</u>	<u>(60,000)</u>	<u>5,320,376</u>
Unrestricted Net Assets	<u>419,548</u>	<u>98,463</u>	<u>-</u>	<u>518,011</u>
Temporarily Restricted Net Assets				
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>11,792</u>
Total Revenue and Support	4,426,848	-	-	4,426,848
Restrictions released by payments	<u>(4,541,896)</u>	-	-	<u>(4,541,896)</u>
Temporarily Restricted Net Assets	<u>(115,048)</u>	<u>-</u>	<u>-</u>	<u>(115,048)</u>
Change in Net Assets	304,500	98,463	-	402,963
Net Assets, Beginning of Year	<u>3,750,894</u>	<u>3,476,169</u>	<u>-</u>	<u>7,227,063</u>
Net Assets, End of Year	<u>\$ 4,055,394</u>	<u>\$ 3,574,632</u>	<u>\$ -</u>	<u>\$ 7,630,026</u>

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

**Combining Statement of Activities
For the Year Ended September 30, 2017**

	Children's Aid Society	Children's Aid Foundation	Eliminations	Total
Unrestricted Net Assets				
Revenue and Support				
United Way allocation	\$ 939,143	\$ -	\$ -	\$ 939,143
Contributions and memorials	77,776	170,570	-	248,346
Investment income	1,540	66,315	-	67,855
Other	73,810	-	(50,000)	23,810
Event income	18,830	-	-	18,830
Realized gain	-	14,543	-	14,543
Unrealized gain	-	96,373	-	96,373
Restrictions released by payments	<u>4,021,810</u>	<u>-</u>	<u>-</u>	<u>4,021,810</u>
Total Revenue and Support	<u>5,132,909</u>	<u>347,801</u>	<u>(50,000)</u>	<u>5,430,710</u>
Expenses				
Program Services				
APAC	2,059,936	-	-	2,059,936
Family Partners	1,898,558	-	-	1,898,558
Independent Living Camps & Conferences	380,087	-	-	380,087
Project Independence	302,328	-	-	302,328
Prevention Services	64,710	-	-	64,710
Permanency Planning	37,104	-	-	37,104
Supporting Services				
Development	93,237	-	-	93,237
Management and general	<u>146,565</u>	<u>62,291</u>	<u>(50,000)</u>	<u>158,856</u>
Total Expenses	<u>4,982,525</u>	<u>62,291</u>	<u>(50,000)</u>	<u>4,994,816</u>
Unrestricted Net Assets	<u>150,384</u>	<u>285,510</u>	<u>-</u>	<u>435,894</u>
Temporarily Restricted Net Assets				
Revenue and Support				
Grant revenue	4,353,785	-	-	4,353,785
Contributions and memorials	7,026	-	-	7,026
Program service fees	<u>16,133</u>	<u>-</u>	<u>-</u>	<u>16,133</u>
Total Revenue and Support	4,376,944	-	-	4,376,944
Restrictions released by payments	<u>(4,021,810)</u>	<u>-</u>	<u>-</u>	<u>(4,021,810)</u>
Temporarily Restricted Net Assets	<u>355,134</u>	<u>-</u>	<u>-</u>	<u>355,134</u>
Change in Net Assets	505,518	285,510	-	791,028
Net Assets, Beginning of Year	<u>4,245,376</u>	<u>2,190,659</u>	<u>-</u>	<u>6,436,035</u>
Transfers	<u>(1,000,000)</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>
Net Assets, End of Year	<u>\$ 3,750,894</u>	<u>\$ 3,476,169</u>	<u>\$ -</u>	<u>\$ 7,227,063</u>