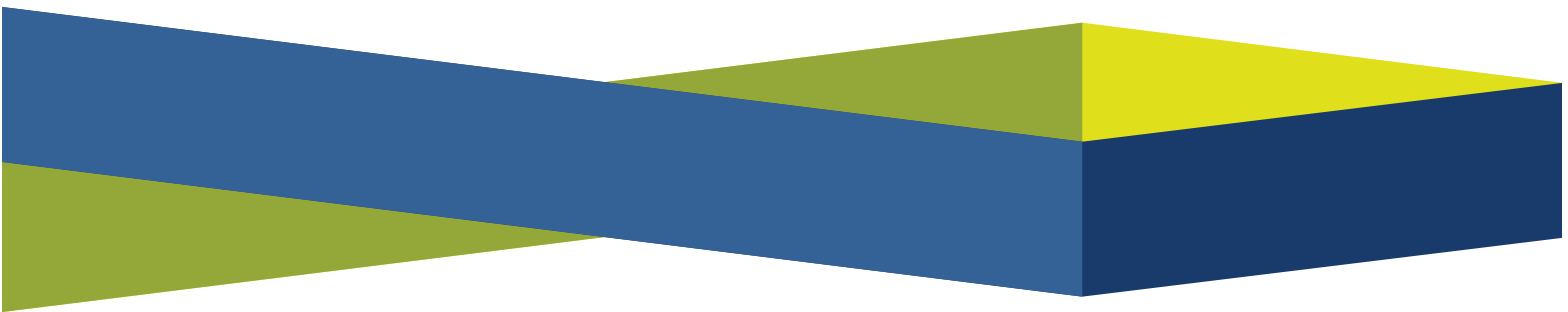


CHILDREN'S ADVOCACY CENTER OF SUFFOLK COUNTY, INC.

FINANCIAL STATEMENTS
JULY 31, 2018 AND 2017
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT



CHILDREN’S ADVOCACY CENTER OF SUFFOLK COUNTY, INC.

FINANCIAL STATEMENTS

JULY 31, 2018 AND 2017

Table of Contents

Independent Auditor’s Report	1-2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7 - 11

Independent Auditor's Report

To the Board of Trustees
Children's Advocacy Center of Suffolk County, Inc.

We have audited the accompanying financial statements of Children's Advocacy Center of Suffolk County, Inc. (a nonprofit organization) which comprise the statements of financial position as of July 31, 2018 and 2017, and the related 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 financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Children's Advocacy Center of Suffolk County, Inc. as of July 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Di Ciccio, Gelman & Company LLP

Boston, Massachusetts
November 29, 2018

CHILDREN'S ADVOCACY CENTER OF SUFFOLK COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION

<u>July 31,</u>	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and cash equivalents	\$ 1,561,090	\$ 1,220,112
Contributions receivable	141,878	167,283
Prepaid expenses	6,092	7,362
Equipment and improvements, net	<u>41,992</u>	<u>45,492</u>
Total assets	<u>\$ 1,751,052</u>	<u>\$ 1,440,249</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	<u>\$ 43,492</u>	<u>\$ 46,883</u>
Net assets:		
Unrestricted	1,562,442	1,201,165
Temporarily restricted	<u>145,118</u>	<u>192,201</u>
Total net assets	<u>1,707,560</u>	<u>1,393,366</u>
Total liabilities and net assets	<u>\$ 1,751,052</u>	<u>\$ 1,440,249</u>

The accompanying notes are an integral part of the financial statements.

CHILDREN'S ADVOCACY CENTER OF SUFFOLK COUNTY, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JULY 31, 2018 AND 2017

	<u>2018</u>			<u>2017</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue:						
Contributions and grants	\$ 75,616	\$ 737,613	\$ 813,229	\$ 113,830	\$ 653,645	\$ 767,475
Donated goods and services	763,874	-	763,874	645,918	-	645,918
Event income	359,606	-	359,606	298,432	-	298,432
Interest income	464	-	464	308	-	308
Net assets released from restriction	784,696	(784,696)	-	746,783	(746,783)	-
Total support and revenue	1,984,256	(47,083)	1,937,173	1,805,271	(93,138)	1,712,133
Expenses:						
Program services	1,283,597	-	1,283,597	1,173,604	-	1,173,604
Management and general	119,581	-	119,581	91,424	-	91,424
Fundraising	219,801	-	219,801	213,906	-	213,906
Total expenses	1,622,979	-	1,622,979	1,478,934	-	1,478,934
Change in net assets	361,277	(47,083)	314,194	326,337	(93,138)	233,199
Net assets, beginning of year	1,201,165	192,201	1,393,366	874,828	285,339	1,160,167
Net assets, ending	\$ 1,562,442	\$ 145,118	\$ 1,707,560	\$ 1,201,165	\$ 192,201	\$ 1,393,366

The accompanying notes are an integral part of the financial statements.

CHILDREN'S ADVOCACY CENTER OF SUFFOLK COUNTY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED JULY 31, 2018 AND 2017

	2018				2017			
	Program Services	Management & General	Fundraising	Total	Program Services	Management & General	Fundraising	Total
Employment expenses:								
Salaries and wages	\$ 773,420	\$ 59,849	\$ 64,662	\$ 897,931	\$ 682,878	\$ 47,216	\$ 69,330	\$ 799,424
Payroll taxes and benefits	203,081	20,001	13,303	236,385	164,532	6,453	10,880	181,865
	<u>976,501</u>	<u>79,850</u>	<u>77,965</u>	<u>1,134,316</u>	<u>847,410</u>	<u>53,669</u>	<u>80,210</u>	<u>981,289</u>
Other expenses:								
Depreciation	4,795	392	383	5,570	8,968	434	434	9,836
Dues and fees	533	500	-	1,033	664	33	33	730
Education and training	24,621	550	1,742	26,913	32,491	-	-	32,491
Electronic payment fees	-	-	9,665	9,665	-	-	12,091	12,091
Events	-	-	49,777	49,777	-	-	39,920	39,920
Insurance	4,870	398	389	5,657	7,796	377	377	8,550
Marketing	12,091	224	52,947	65,262	-	-	72,877	72,877
Office supplies	2,959	242	236	3,437	4,027	195	195	4,417
Other expenses	507	380	275	1,162	4,277	207	207	4,691
Outside consultants	108,024	1,643	17,600	127,267	111,650	-	-	111,650
Professional fees	-	24,733	-	24,733	-	28,947	-	28,947
Rent	72,704	5,945	5,805	84,454	78,547	3,800	3,800	86,147
Telephone and internet	33,980	2,779	2,713	39,472	33,847	1,637	1,637	37,121
Travel and entertainment	34,420	1,617	-	36,037	36,714	1,776	1,776	40,266
Utilities	7,592	328	304	8,224	7,213	349	349	7,911
	<u>307,096</u>	<u>39,731</u>	<u>141,836</u>	<u>488,663</u>	<u>326,194</u>	<u>37,755</u>	<u>133,696</u>	<u>497,645</u>
Total	<u>\$ 1,283,597</u>	<u>\$ 119,581</u>	<u>\$ 219,801</u>	<u>\$ 1,622,979</u>	<u>\$ 1,173,604</u>	<u>\$ 91,424</u>	<u>\$ 213,906</u>	<u>\$ 1,478,934</u>

The accompanying notes are an integral part of the financial statements.

CHILDREN'S ADVOCACY CENTER OF SUFFOLK COUNTY, INC.

STATEMENTS OF CASH FLOWS

For the years ended July 31,	2018	2017
Cash flows from operating activities:		
Change in net assets	\$ 314,194	\$ 233,199
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	5,570	9,836
Changes in:		
Contributions receivable	25,405	(17,007)
Prepaid expenses	1,270	(7,362)
Accounts payable and accrued expenses	(3,391)	(7,332)
Total adjustments	28,854	(21,865)
Net cash provided by operating activities	343,048	211,334
Cash flows from investing activities:		
Purchases of equipment and improvements	(2,070)	(6,969)
Net cash used in investing activities	(2,070)	(6,969)
Net increase in cash and cash equivalents	340,978	204,365
Cash and cash equivalents, beginning	1,220,112	1,015,747
Cash and cash equivalents, ending	\$ 1,561,090	\$ 1,220,112

The accompanying notes are an integral part of the financial statements.

CHILDREN'S ADVOCACY CENTER OF SUFFOLK COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1 - Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

Children's Advocacy Center of Suffolk County, Inc. (the "Organization") is a Massachusetts nonprofit corporation formed in 1994. The Organization's mission is to unite public, private and community partners to promote safety, healing and justice for child victims and their families. The Organization works with police, prosecutors, social workers, advocates, medical and mental health professionals and others to provide high-quality, specialized services for abused children and their families.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with the accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an original maturity date of three months or less to be cash equivalents. The Organization maintains its cash and cash equivalents at financial institutions, which at times may exceed federal insurance limits. The Organization has not experienced any losses in such accounts and management does not believe it is exposed to any significant credit risks on its cash and cash equivalent accounts.

Contributions Receivable

Promises to give are included in the financial statements as contributions receivable and as support and revenue of the appropriate net asset category subject to a discount, if applicable, when a donor makes a promise that is, in substance, unconditional. The Organization evaluates its contributions receivable for collectability on a periodic basis and establishes an allowance based on prior experience and an analysis of specific promises made. At July 31, 2018 and 2017, the Organization considered its contributions receivable to be fully collectible. Accordingly, no allowance for uncollectible amounts has been recorded.

Equipment and Improvements, Net

Equipment and improvements are recorded at cost, if purchased, or at estimated fair value at the date of gift, if donated. Major additions and improvements are capitalized, while maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets or the lease term, if shorter.

CHILDREN'S ADVOCACY CENTER OF SUFFOLK COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1 - Nature of Activities and Summary of Significant Accounting Policies (Continued)

Net Assets

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

Unrestricted

Unrestricted net assets are resources over which the Board of Trustees has discretionary control.

Temporarily Restricted

The Organization may receive grants and contributions, which are restricted by donors for specific purposes or for specified time periods. These grants and contributions are recorded as temporarily restricted net assets until they are expended for their restricted purposes or the time restriction lapses, and they are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

Permanently Restricted

Permanently restricted net assets are those resources subject to donor-imposed restrictions that they be maintained permanently by the Organization. As of July 31, 2018 and 2017, there were no net assets in this category.

Support and Revenue

Unrestricted contributions are recorded as support and revenue when received or unconditionally pledged. All contributions are available for unrestricted use unless specifically restricted by the donor. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. The Organization recognizes support and revenue from government contracts and certain grants as the services are performed or the funds are expended. Transfers are made to unrestricted net assets as costs are incurred or time restrictions have lapsed.

Contributions of donated noncash assets are recorded at fair value in the period received. Meals, materials, utilities, telephone, transportation, and marketing/advertising were donated to the Organization for various operational activities during the years ended July 31, 2018 and 2017. These donations are included in support and revenue and expenses at their estimated fair values of \$73,938 and \$73,321 for the years ended July 31, 2018 and 2017, respectively.

During the years ended July 31, 2018 and 2017, the Organization was allowed to use portions of the City of Boston's Family Justice Center on a rent-free basis. The estimated fair value of this donation for the years ended July 31, 2018 and 2017 was \$82,086 and \$82,104, respectively, and is included in support and revenue and in expenses as rent expense.

CHILDREN'S ADVOCACY CENTER OF SUFFOLK COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1 - Nature of Activities and Summary of Significant Accounting Policies (Continued)

Support and Revenue (Continued)

Contributions of donated services that create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided as a donation, are recorded at their fair value in the period in which the services are rendered. Amounts satisfying these criteria for recognition in the financial statements as support and revenue and expenses were as follows for the years ended July 31:

	<u>2018</u>	<u>2017</u>
Salary and wages	\$ 406,266	\$ 335,500
Related payroll taxes and benefits	152,084	104,493
Consulting	<u>49,500</u>	<u>50,500</u>
	<u>\$ 607,850</u>	<u>\$ 490,493</u>

The Organization also received donated services from numerous volunteers assisting the Organization that do not meet the criteria for recognition of donated services. The fair value of these donated services is not reasonably estimable.

Income Taxes

The Organization is exempt from income taxes under Internal Revenue Code ("IRC") Section 501(c)(3). The Organization is not classified as a private foundation. Contributions made to the Organization are deductible by donors as provided in IRC Section 170.

U.S. GAAP prescribes the threshold a tax position is required to meet before being recognized in the financial statements. The tax-exempt status of an entity is considered a tax position. An additional liability for uncertain tax positions ("UTPs") is recognized and recorded as a component of current income tax expense for differences between financial and income tax reporting positions which do not meet the threshold. Any interest and penalties related to UTPs are recorded as a component of income tax expense.

The Organization has not taken any positions, including tax positions that would jeopardize its tax-exempt status, which would have a material effect, individually or in the aggregate, on its financial statements and thus has not recorded a liability at July 31, 2018 or 2017.

The Organization files tax returns in federal and state jurisdictions. The Organization is no longer subject to examinations by tax authorities for years prior to the 2015 fiscal year. Currently, there are no income tax audits in process.

CHILDREN'S ADVOCACY CENTER OF SUFFOLK COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1 - Nature of Activities and Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of providing various programs and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Note 2 - Contributions Receivable

Contributions receivable consists of the following at July 31:

	<u>2018</u>	<u>2017</u>
Billed	\$ 48,373	\$ 158,908
Unbilled	<u>93,505</u>	<u>8,375</u>
	<u>\$ 141,878</u>	<u>\$ 167,283</u>

Note 3 - Equipment and Improvements, Net

Equipment and improvements, net consists of the following at July 31:

	<u>2018</u>	<u>2017</u>
Equipment	\$ 111,465	\$ 109,395
Leasehold improvements	<u>47,463</u>	<u>47,463</u>
	158,928	156,858
Less accumulated depreciation	<u>116,936</u>	<u>111,366</u>
	<u>\$ 41,992</u>	<u>\$ 45,492</u>

Note 4 - Temporarily Restricted Net Assets

At July 31, 2018 and 2017, temporarily restricted net assets consists of funds held for:

	<u>2018</u>	<u>2017</u>
SEEN program	\$ 37,598	\$ 85,598
Family advocacy program	43,185	49,656
Mental health program	52,749	56,047
Client use	<u>11,586</u>	<u>900</u>
	<u>\$ 145,118</u>	<u>\$ 192,201</u>

CHILDREN'S ADVOCACY CENTER OF SUFFOLK COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

Note 5 - Net Assets Released From Restrictions

Temporarily restricted net assets were released from donor restrictions during the years ended July 31, 2018 and 2017, by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors, as follows:

	<u>2018</u>	<u>2017</u>
SEEN Program	\$ 211,725	\$ 128,719
Family advocacy program	320,633	349,834
Mental health program	35,460	61,131
Client use	<u>216,878</u>	<u>207,099</u>
	<u>\$ 784,696</u>	<u>\$ 746,783</u>

Note 6 - Related Party Transactions

During 2018 and 2017, the Organization recognized approximately \$24,300 and \$16,900, respectively, in unrestricted donations from board members and their families.

Note 7 - Concentrations

During 2018, the Organization received approximately 63% of its contributions from three sources. During 2017, the Organization received approximately 64% of its contributions from three sources.

At July 31, 2018, 73% of the Organization's contributions receivable were from four sources. At July 31, 2017, 68% of the Organization's contributions receivable were from three sources.

During 2018, the Organization received approximately 85% of its donated goods and services from three sources. During 2017, the Organization received approximately 82%, of its donated goods and services from three sources.

Note 8 - Contingencies

From time to time, the Organization may be involved in legal actions arising in the ordinary course of its operations. Each of these matters is subject to various uncertainties, and it is possible that some of these matters may be resolved unfavorably. The Organization establishes accruals for losses that management deems to be probable and subject to reasonable estimate. The Organization is not currently involved in any such matters.

Note 9 - Subsequent Events

Management has evaluated subsequent events through November 29, 2018, the date the financial statements were approved and authorized for issuance by management, and determined that there were no subsequent events that would require recognition in, or disclosure in the notes to, the financial statements.