



**REPORT ON
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2015
WITH SUMMARIZED
FINANCIAL INFORMATION FOR 2014**

**THE CENTER FOR ALEXANDRIA'S
CHILDREN, INC.**

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SALTI & ASSOCIATES, LLC
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Center for Alexandria's Children, Inc.

I have audited the accompanying financial statements of The Center for Alexandria's Children, Inc. which comprise the statement of financial position as of June 30, 2015, and the related statements of activities 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 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

INDEPENDENT AUDITOR'S REPORT

(continued)

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Center for Alexandria's Children, Inc. as of June 30, 2015 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

The prior year summarized comparative information has been derived from The Center for Alexandria's Children's 2014 financial statements, which were audited by other auditors and, in their report dated September 8, 2014, they expressed an unmodified opinion on those statements.

No. 2015 SIOG

Washington, DC
November 3, 2015

CENTER FOR ALEXANDRIA'S CHILDREN, INC.

**STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2015
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2014**

	2015	2014
ASSETS		
Current Assets		
Cash and cash equivalents (note 1 and 3)	\$ 296,527	\$ 246,878
Pledges receivable	40,523	75,254
Prepaid expenses	8,884	9,695
Total Current Assets	345,934	331,827
Property & Equipment - at Cost		
Equipment	42,568	42,568
Software	7,681	7,681
Less: accumulated depreciation	(34,606)	(24,172)
Property & equipment, Net	15,643	26,077
TOTAL ASSETS	\$ 361,577	\$ 357,904
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	3,160	12,343
Accrued payroll	6,894	4,116
Total Current Liabilities	10,054	16,459
Total Liabilities	10,054	16,459
Net Assets		
Unrestricted net assets	235,992	281,445
Temporarily restricted net assets (note 4)	115,531	60,000
Total net assets	351,523	341,445
TOTAL LIABILITIES AND NET ASSETS	\$ 361,577	\$ 357,904

The accompanying notes are an integral part of these financial statements

CENTER FOR ALEXANDRIA'S CHILDREN, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2015</u>	<u>Total 2014</u>
REVENUE				
Foundation and trust grants	\$ 122,636	\$ 122,750	\$ 245,386	\$ 204,422
Individual and business gifts	22,643	-	22,643	27,470
State and local grants	116,707	-	116,707	121,447
Special event	106,718	-	106,718	144,110
In-Kind contributions (note 6)	120,414	-	120,414	133,033
Interest	513	-	513	781
Realized gain on investment	-	-	-	263
Other income	387	-	387	-
Net assets released from restrictions for expenses incurred and timing differences in unrestricted net assets (note 5)	67,219	(67,219)	-	-
TOTAL REVENUE	557,237	55,531	612,768	631,526
EXPENSES				
Program Services and Expenses:				
Intervention	222,547	-	222,547	193,366
Prevention	174,170	-	174,170	219,989
Community Awareness & Education	58,477	-	58,477	50,239
Total Program Services Expenses	455,194	-	455,194	463,594
Supporting Services Expenses:				
Management and General	62,656	-	62,656	61,861
Fundraising	84,840	-	84,840	69,261
Total Supporting Services Expenses	147,496	-	147,496	131,122
TOTAL EXPENSES	602,690	-	602,690	594,716
Change in Net Assets	(45,453)	55,531	10,078	36,810
Net Assets, Beginning of Year	266,191	75,254	341,445	304,635
Prior year adjustment (note 9)	15,254	(15,254)	-	-
Adjusted net assets, Beginning of year	281,445	60,000	341,445	304,635
NET ASSETS, END OF YEAR	\$ 235,992	\$ 115,531	\$ 351,523	\$ 341,445

The accompanying notes are an integral part of these financial statements

CENTER FOR ALEXANDRIA'S CHILDREN, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2014**

	Intervention	Prevention	Community Education	Management and General	Fundraising	Total 2015	Total 2014
Salary expense	\$ 95,400	\$ 93,942	\$ 29,100	\$ 27,765	\$ 27,580	\$ 273,787	\$ 221,158
Payroll taxes	8,749	8,614	1,585	2,545	-	21,493	17,750
Fringe benefits	8,192	8,313	1,844	2,661	-	21,010	12,433
Accounting and auditing	6,813	6,709	1,234	1,981	-	16,737	19,746
Bank charges/processing fees	-	-	-	139	910	1,049	2,777
Books, subscription, dues	2,242	-	470	2,080	-	4,792	1,993
Business expenses	-	-	-	-	-	-	546
Computer support and services	1,051	8	-	792	-	1,851	2,731
Conferences and meetings	3,129	700	105	420	-	4,354	12,128
Consulting and professional fees	400	100	14,400	1,000	645	16,545	56,048
Depreciation	4,246	4,182	769	1,237	-	10,434	11,074
Equipment rental and maintenance	-	649	389	2,632	-	3,670	7,532
Insurance	1,986	1,710	-	301	-	3,997	8,850
Member dues	2,728	-	-	1,202	-	3,930	2,947
Miscellaneous expense	-	-	-	205	-	205	227
Office supplies, clothing, and toys	3,717	4,850	796	1,744	42	11,149	24,431
Other legal services	-	800	-	-	-	800	-
Payroll processing fee	1,953	1,923	354	568	-	4,798	4,584
Postage and shipping	453	52	95	136	646	1,382	1,272
Printing	-	-	-	65	-	65	184
Program marketing and communication	9,369	9,226	1,697	2,726	-	23,018	2,136
Program stipends	-	475	-	-	-	475	300
Sales and property taxes	81	40	-	452	-	573	-
Special event - direct expenses	-	-	-	-	34,109	34,109	36,685
Telephone and utilities	130	-	-	2,731	-	2,861	2,763
Utilities	-	-	-	39	-	39	-
Travel	15,197	2,727	325	696	93	19,038	10,744
Volunteer recruitment and training	-	-	-	-	115	115	644
Total Expenses before In-Kind	165,836	145,020	53,163	54,117	64,140	482,276	\$ 461,683
In-Kind Donations (note 6)	56,711	29,150	5,314	8,539	20,700	120,414	133,033
Total Expenses	\$ 222,547	\$ 174,170	\$ 58,477	\$ 62,656	\$ 84,840	\$ 602,690	\$ 594,716

The accompanying notes are an integral part of these financial statements

CENTER FOR ALEXANDRIA'S CHILDREN, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2014**

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from operations	\$ 526,572	\$ 443,595
Dividends and interest income	513	781
Cash paid for operating activities	(477,436)	(445,113)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	49,649	(737)
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of stocks	-	2,504
Net cash flows from investing activities	-	2,504
 Net increase in cash and cash equivalents	49,649	1,767
Cash, beginning of year	246,878	245,111
CASH AND CASH EQUIVALENT, END OF YEAR	\$ 296,527	\$ 246,878
 RECONCILIATION OF CHANGE IN NET ASSETS TO CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 10,079	\$ 36,810
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	10,433	11,074
Realized gain on investment	-	(263)
(Increase) decrease in:		
Grants receivable	34,731	(53,854)
Prepaid expenses	811	2,708
Increase (decrease) in:		
Accounts payable	(9,183)	3,611
Accrued expenses	2,778	(823)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 49,649	\$ (737)

The accompanying notes are an integral part of these financial statements

THE CENTER FOR ALEXANDRIA'S CHILDREN, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

1. ORGANIZATION AND ACTIVITIES

The Center for Alexandria's Children, Inc. (the Organization) is a non-profit corporation founded in 2006, with a mission to protect children and strengthen families in the City of Alexandria, Virginia through stronger and better-coordinated child welfare services provided in one safe, child-friendly facility. The Center for Alexandria's Children was designed to be the hub of child-serving organizations in the City of Alexandria.

Program services provided by the Organization are as follows:

Intervention - The Organization leads and coordinates the Children's Advocacy Center (CAC) Program, and the work of Alexandria's Multidisciplinary Team (MDT) responsible for the coordination, comprehensiveness, and effectiveness of investigations, prosecutions, and treatment services for children and families affected by abuse and neglect. The Organization is a full nationally accredited CAC, since 2011. Operating through a Memorandum of Understanding, the Organization provides Forensic Interviewing and Forensic Evaluation services; a child-friendly facility for forensic interviewing of children; comprehensive case tracking and review; victim support through the Clothing Closet and Emergency Victim's Crisis Fund; and facilitates critical case coordination and specialized referrals for identified child victims of abuse.

Prevention - The Organization launched a Citywide Playgroup Initiative Pilot Program, providing three free developmental playgroups in the City, targeting neighborhoods identified as high risk for developmental concerns due to poverty and parental isolation. The program is a strength- and evidence-based model that is founded upon current research in the fields of early childhood development, education, and policy and also upon grassroots needs assessment for Alexandria.

Community Education - The Organization stimulates Community education/outreach efforts focused on child abuse intervention and prevention and promotes community awareness, education and best practices to protect and strengthen vulnerable children and their families. To protect every Alexandria child from sexual abuse, we are training adults, especially those involved in child-serving organizations, about how they can prevent this crime. The Center leverages its relationships with its public and non-profit partners serving children and families to deliver these programs, and also works with our partners at various community events to provide digital identification kits and share information about child safety, child protection and parenting. Our facility in the under-served West End is also available to agencies and organizations for activities such as parenting classes and therapeutic groups, meetings, and workshops.

THE CENTER FOR ALEXANDRIA'S CHILDREN, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements are presented in accordance with Statement of Financial Accounting Standards No. 117, "Financial Statements of Not-for Profit Organizations." Under SFAS No. 117, The Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, The Center for Alexandria's Children, Inc. is required to present a statement of cash flows.

Basis of Accounting

The financial statements of The Center for Alexandria's Children, Inc. have been prepared on the accrual basis. Under the accrual basis of accounting, income is recognized in the period it is earned, and expenses are recognized when incurred.

Cash and Cash Equivalents

The Center for Alexandria's Children, Inc. considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Property and Equipment

Furniture and equipment are depreciated over three to seven years by application of the straight line method. Depreciation charged to expense amounted to \$10,433 and \$11,074 in 2015 and 2014 respectively. Capital expenditures over \$1,000 are capitalized in the statement of financial position.

Uncertain Tax Position

The Financial Accounting Standard Board (FASB) released FASB ASC 740-10, Income Taxes, that provide guidance for reporting uncertainty in income taxes. For the year ended June 30, 2015, The Center has documented its consideration of FASB ASC 740-10 and determined that no material uncertain tax provisions qualify for either recognition or disclosure in the financial statements.

Net Assets Classifications

There are three classes of net assets. They can each be defined as follows:

Unrestricted Net Assets – These are net assets whose use is not restricted by the donors. The organization itself has complete control and discretion over how they can be used.

THE CENTER FOR ALEXANDRIA'S CHILDREN, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets Classifications (continued)

Temporarily Restricted Net Assets– This represents net assets that have restrictions stipulated by donors – either regarding the time period in which they can be used for the purpose to which they can be put (e.g., a grant specifically intended to cover the salary of a person to be hired for a specified purpose). Expenses do not get recorded in this category; grants that are to be used for a specific purpose are initially recorded as “Temporarily Restricted”, and when the restrictions are met, they are reported in the statement of activities as net assets released from restrictions, and are reclassified as “Unrestricted.”

Permanently Restricted Net Assets – This represents net assets which the organization must maintain in perpetuity. The Center does not have any such assets.

Revenue Recognition

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Support that is restricted by the donor is reported as an increase in temporarily restricted net assets depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

State and local grant awards are classified as deferred revenue (or refundable advances) until expended for the purposes of the grants since they are a conditional promise to give.

Contributed Services

Contributed services, when received, are reflected as contributions in the accompanying statements at their estimated fair market values at the date of receipt.

Income Taxes

The Center has qualified as a non-profit organization under Internal Revenue Code Section 501(c) (3) and consequently pays no taxes on its exempt function income. However, The Center would be liable for taxes on any unrelated business income.

THE CENTER FOR ALEXANDRIA'S CHILDREN, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses

Costs are charged to program services and management and general functions based on direct expenditures incurred. Expenses not directly chargeable to these functional categories are allocated based on direct personnel costs.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and expenses and in the disclosures of contingent assets and liabilities. Accordingly, actual results could differ from those estimates. Management believes that actual results will not be materially different from amounts provided in the accompanying financial statements.

Reclassification

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. Such reclassifications had no effect on the change in assets as previously reported.

3. CONCENTRATION OF CREDIT RISK

At times during the year, The Center maintained cash balances in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit. As of June 30, 2015 The Center had account balances of \$296,527 which were in excess of the FDIC insured limits. Management believes the risk to these situations to be minimal.

As of June 30, 2015 and 2014, cash and cash equivalents consisted of \$296,527 and \$246,878 in banks and on hand respectively.

4. TEMPORARY RESTRICTED NET ASSET

Temporarily restricted net assets consisted of the following at June 30, 2015:

Intervention	\$ 7,031
Community Education and Awareness	30,000
Core Support (time restriction)	<u>78,500</u>
TOTAL	<u>\$115,531</u>

THE CENTER FOR ALEXANDRIA'S CHILDREN, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

5. NET ASSETS RELEASED FROM RESTRICTIONS

The following is a summary of net assets which were released from time or donor restrictions by incurring expenses which satisfied the restricted purpose specified by the donors.

Intervention	\$11,719
Community Education and Awareness	30,000
Core Support (time restriction)	<u>25,500</u>
TOTAL	<u>\$67,219</u>

6. DONATED FACILITIES, SERVICES AND ASSETS

During the year ended June 30, 2015, The Center was the beneficiary of donated services and office space which allowed the Center to provide greater resources towards its programs. To properly reflect total program expenses, the following donations have been included in revenue and expense for the year ended June 30, 2015:

Office Space	\$ 72,082
Staff Salary	26,432
Legal Services	11,050
Special Event	<u>10,850</u>
TOTAL	<u>\$120,414</u>

7. PENSION PLAN

The Organization maintains a 401(k) plan available to employees who have reached age 21 and completed 1,000 hours of service. The company provides a matching contribution which totaled \$6,463 and \$4,913 for the years ended June 30, 2015 and 2014, respectively.

8. PRIOR PERIOD ADJUSTMENT

The opening balance of temporarily restricted net assets for the year ended June 30, 2014 was adjusted against unrestricted net assets for the amount of \$15,254. Accordingly, the opening balances of unrestricted net assets was increased by \$15,254 and temporarily restricted net assets was decreased by \$15,254. The net effect to total net assets was zero.

THE CENTER FOR ALEXANDRIA'S CHILDREN, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

9. SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to June 30, 2015 through November 3, 2015, the date the financial statements were available to be issued.