



**REPORT ON  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2019  
WITH SUMMARIZED  
FINANCIAL INFORMATION FOR 2018**

**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.  
Alexandria, VA

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, 2019, 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, 2019 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

I have previously audited The Center for Alexandria's Children, Inc. June 30, 2018 financial statements, and my report dated August 28, 2018 expressed an unmodified opinion on those audited financial statements. In my opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### Emphasis of Matter

As discussed in Note 2 to the financial statements, in the year ended June 30, 2019, The Center for Alexandria's Children adapted and retrospectively applied Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Non-for-Profit Entities* (Topic 958); *Presentation of Financial Statements of Non-for-Profit Entities*. My opinion is not modified with respect to this matter.

No. 2019 S&A G

Washington, DC  
October 17, 2019

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

**STATEMENTS OF FINANCIAL POSITION  
AS OF JUNE 30, 2019  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018**

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (note 2 and 3)	\$ 122,689	\$ 134,531
Accounts receivable (note 4)	101,855	53,971
Prepaid expenses	7,183	8,712
Total Current Assets	231,727	197,214
<b>Property &amp; Equipment - at Cost</b>		
Equipment	45,057	42,568
Software	11,886	11,886
	56,943	54,454
Less: accumulated depreciation	(52,092)	(51,085)
Property & equipment, Net	4,851	3,369
<b>TOTAL ASSETS</b>	<b>\$ 236,578</b>	<b>\$ 200,583</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	602	9,180
Accrued expenses	2,486	3,082
Total Current Liabilities	3,088	12,262
<b>Total Liabilities</b>	<b>3,088</b>	<b>12,262</b>
<b>Net Assets</b>		
Without donor restrictions	225,990	188,321
With donor restrictions (note 6)	7,500	-
Total net assets	233,490	188,321
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 236,578</b>	<b>\$ 200,583</b>

The accompanying notes are an integral part of these financial statements

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

**STATEMENTS OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2019</u>	<u>2018</u>
<b>REVENUE</b>				
Foundation and trust grants	\$ 140,761	\$ 7,500	\$ 148,261	\$ 97,664
Individual and business gifts	49,414	-	49,414	28,113
Federal, state and local grants	267,760	-	267,760	169,369
Special events	88,315	-	88,315	92,950
In-Kind contributions (note 8)	90,956	-	90,956	99,908
Interest	305	-	305	174
Other income	7,831	-	7,831	625
Net assets released from restrictions	-	-	-	-
<b>TOTAL REVENUE</b>	<b>645,342</b>	<b>7,500</b>	<b>652,842</b>	<b>488,803</b>
<b>EXPENSES</b>				
Program Services and Expenses:				
Intervention	303,212	-	303,212	271,629
Prevention	139,851	-	139,851	77,837
Community Awareness & Education	55,809	-	55,809	28,749
Total Program Services Expenses	498,872	-	498,872	378,215
Supporting Services Expenses:				
Management and General	49,620	-	49,620	111,259
Fundraising	59,181	-	59,181	41,881
Total Supporting Services Expenses	108,801	-	108,801	153,140
<b>TOTAL EXPENSES</b>	<b>607,673</b>	<b>-</b>	<b>607,673</b>	<b>531,355</b>
Change in Net Assets	37,669	7,500	45,169	(42,552)
Net Assets, Beginning of Year	188,321	-	188,321	230,873
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 225,990</b>	<b>\$ 7,500</b>	<b>\$ 233,490</b>	<b>\$ 188,321</b>

The accompanying notes are an integral part of these financial statements

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

**STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2019  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018**

	<b>Intervention</b>	<b>Prevention</b>	<b>Community Education</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>2019</b>	<b>2018</b>
Salary expense	\$ 148,257	\$ 89,085	\$ 37,801	\$ 26,622	\$ 15,000	\$ 316,765	\$ 257,169
Payroll taxes	11,657	7,003	2,973	2,163	1,183	24,979	19,732
Pension expense	3,166	1,902	807	587	321	6,783	5,975
Employee benefits - Health	6,207	3,728	1,583	1,151	630	13,299	15,232
Accounting and auditing	8,797	5,286	2,242	1,580	890	18,795	20,971
Bad debt expense	12,648	-	-	-	-	12,648	-
Bank charges/processing fees	6	-	-	522	772	1,300	1,784
Books, subscription, dues	3,545	529	25	1,595	1,073	6,767	278
Computer services	3,185	-	-	2,204	-	5,389	3,119
Conferences and meetings	7,137	622	118	1,391	466	9,734	10,885
Consulting and professional fees	32,160	913	-	445	17,940	51,458	21,987
Depreciation	-	-	436	571	-	1,007	1,642
Equipment rental and maintenance	-	-	-	-	14,089	14,089	3,546
Insurance	3,534	2,531	999	1,509	426	8,999	5,343
Member dues	-	-	-	-	-	-	5,034
Miscellaneous expense	-	-	-	-	-	-	45
Office supplies, clothing, and toys	3,481	1,197	-	485	1,245	6,408	4,992
Payroll processing fee	746	448	190	134	75	1,593	2,027
Postage, shipping and mailing	42	-	-	137	385	564	452
Printing	-	-	-	-	-	-	576
Program marketing and communication	2,429	454	15	954	1,048	4,900	1,675
Sales and property taxes	-	-	-	122	200	322	416
Special events - direct expenses	-	-	-	-	-	-	33,222
Telephone and utilities	1,430	-	-	780	-	2,210	2,107
Travel	7,672	28	18	538	25	8,281	13,013
Volunteer recruitment and training	160	195	-	72	-	427	225
<b>Total Expenses before In-Kind</b>	<b>256,259</b>	<b>113,921</b>	<b>47,207</b>	<b>43,562</b>	<b>55,768</b>	<b>516,717</b>	<b>\$ 431,447</b>
In-Kind rent (note 8)	33,737	20,272	8,602	6,058	3,413	72,082	72,082
In-Kind Donations (note 8)	13,216	5,658	-	-	-	18,874	27,826
<b>Total Expenses</b>	<b>\$ 303,212</b>	<b>\$ 139,851</b>	<b>\$ 55,809</b>	<b>\$ 49,620</b>	<b>\$ 59,181</b>	<b>\$ 607,673</b>	<b>\$ 531,355</b>

The accompanying notes are an integral part of these financial statements

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

**STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2019  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018**

	<b>2019</b>	<b>2018</b>
<b>CASH FLOWS PROVIDED BY OPERATING ACTIVITIES</b>		
Cash received from foundations	\$ 116,184	\$ 105,164
Cash received from individual donors	49,414	28,113
Cash received from corporate donors	15,589	2,500
Cash received for Gala event	88,315	92,950
Cash received from state and local governments	236,140	210,555
Cash received from investments	305	174
Miscellaneous receipts	7,831	625
Cash paid for salaries and related benefits	(360,825)	(297,218)
Cash paid for auditing and accounting fees	(20,388)	(21,838)
Cash paid for insurance	(6,097)	(9,997)
Cash paid for suppliers and vendors	(135,821)	(139,335)
<b>Net cash used by operating activities</b>	<b>(9,353)</b>	<b>(28,307)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of equipment	(2,489)	-
<b>Net cash flows from investing activities</b>	<b>(2,489)</b>	<b>-</b>
<b>NET (DECREASE) IN CASH</b>	<b>(11,842)</b>	<b>(28,307)</b>
Cash and cash equivalents at beginning of year	134,531	162,838
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 122,689</b>	<b>\$ 134,531</b>

The accompanying notes are an integral part of these financial statements

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

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 provides a Citywide Playgroup Program ~ Learn & PlayGroups™, providing developmentally appropriate play-based experiences for children 0-5 and building resiliency for high-risk families who lack access to affordable, quality child development activities and needed parenting support. 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, serving as a critical link in a continuum of early childhood and abuse prevention services in the City and providing a turnkey replicable program.

**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.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Financial Statement Presentation**

Net assets and revenue, gains, and losses are classified based on donor-imposed restrictions. Accordingly, net assets of The Center for Alexandria's Children and changes therein are classified and reported as:

**Without Donor Restrictions** – Those resources not subject to donor-imposed restrictions. The board of directors has discretionary control over these resources. Designated amounts represent those net assets that the board has set aside for a particular purpose.

**With Donor Restrictions** – Those resources subject to donor-imposed restrictions that will be satisfied by action of The Center for Alexandria's Children or by passage of time.

The Center for Alexandria's Children has elected to present contributions with donor restrictions that are fulfilled in the same period within the net assets without donor restrictions class.

**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 \$2,389 and \$6,324 in 2019 and 2018 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, 2019, 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.

**Revenue Recognition**

Contributions are recognized as revenue when received or unconditionally pledged. Contributions subject to donor-imposed restrictions for use in a future period or for a specific purpose are reported as net assets with donor restrictions. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions 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.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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.

**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.

**Change in Accounting Principles**

The Center for Alexandria's Children implemented FASB ASU 2016-14 in the current year, applying the changes retrospectively. The new standards change the following aspects of the financial statements:

- The temporarily and permanently restricted net assets have been combined into a single net asset class called net assets *with donor restrictions*
- The unrestricted net assets class has been renamed net assets *without donor restrictions*.
- The format of the statement of cash flows has changed to the direct method of reporting cash flows from operations, which I believe to be more understandable for the users of our financial statements.
- The financial statements include a disclosure about liquidity and availability of resources (note 7)

**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.

**Special Event (Annual Gala)**

Annual Gala revenue is generated from sponsorships, ticket sales, and sale of items held in Spring of each year and are recognized at the completion of Gala's performance obligation.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Recent Accounting Pronouncement**

In May 2014, the FASB issued ASU 2014-09 Revenue from Contracts with Customers (Topic 606), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods and services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2014-14, which defers the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 31, 2018. The Center for Alexandria's Children is currently evaluating the impact the adoption of this guidance will have on its financial statements.

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, 2019 and 2018, The Center had account balances of \$122,689 and \$134,531 which during the course of the year were in excess of the FDIC insured limits. Management believes the risk to these situations to be minimal.

4. ACCOUNTS RECEIVABLE

Accounts receivable from contractual agreements and pledges are obligations due under normal terms. The Center does not charge interest on past due accounts. No allowance for doubtful accounts is reflected in these financial statements, as The Center considers all accounts to be fully collectible.

5. METHODS OF ALLOCATING GENERAL MANAGEMENT

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include insurance, payroll service fees and subscriptions, and accounting fees which are allocated based on salaries, which are allocated on the basis of estimates of time and effort.

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2019, are restricted for the following purposes:

Subject to expenditure for specified purpose:

Core Support-Subject to passage of time	<u>\$7,500</u>
<b>TOTAL</b>	<b><u>\$7,500</u></b>

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

7. LIQUIDITY, AVAILABILITY AND RESERVES MANAGEMENT

The Center for Alexandria's Children nonprofit's process of liquidity management calls for the organization to maintain sufficient liquid financial assets in order to readily meet general expenditures and obligations as they become due. Management of the nonprofit periodically reviews the organization's liquid asset needs and adjusts the cash and cash equivalent balances as necessary.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, The Center for Alexandria's Children considers all expenditures related to its ongoing mission-related activities, as well as the conduct of service undertaken to support those activities, to be general expenditures.

The Center for Alexandria's Children has calculated its financial assets available within one year of the statement of financial position date for general expenditures to be as follows:

Cash and cash equivalents	\$122,689
Grants and pledges receivable	<u>101,855</u>
Financial assets, at year end	\$224,544
Less: those unavailable for general expenditures within one year due to:	
Contractual or donor imposed restrictions:	
Subject to passage of time	<u>(7,500)</u>
Financial assets available to meet cash Needs for general expenditures within One year	<u><b>\$217,044</b></u>

8. DONATED FACILITIES AND SERVICES

During the year ended June 30, 2019, 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, 2019:

Office Space	\$ 72,082
Staff Salary	13,216
Supplies	<u>5,658</u>
<b>TOTAL</b>	<u><b>\$ 90,956</b></u>

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**9. 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 \$6,783 and \$5,975 for the years ended June 30, 2019 and 2018, respectively.

**10. SUBSEQUENT EVENTS**

Management has evaluated events and transactions subsequent to June 30, 2019 through October 17, 2019, the date the financial statements were available to be issued.