

**SAVANNAH/CHATHAM COUNTY
COURT APPOINTED SPECIAL ADVOCATES, INC.
SAVANNAH, GEORGIA**

**Financial Statements
for the Year Ended
December 31, 2020**

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AUDIT REPORT

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July 19, 2021

**SAVANNAH/CHATHAM COUNTY
COURT APPOINTED SPECIAL ADVOCATES, INC.
YEAR ENDED DECEMBER 31, 2020**

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Independent Auditor's Report

To the Board of Directors
Savannah/Chatham County Court Appointed Special Advocates, Inc.
Savannah, Georgia

We have audited the accompanying financial statements of Savannah/Chatham County Court Appointed Special Advocates, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2020, and the related 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 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 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 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 Savannah/Chatham County Court Appointed Special Advocates, Inc. as of December 31, 2020, 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.

Carolee Richardson Associates, LLP

July 19, 2021

SAVANNAH/CHATHAM COUNTY COURT APPOINTED
SPECIAL ADVOCATES, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

ASSETS

Current assets

Cash and cash equivalents	315,249
Accounts receivable - grants	85,714
Prepaid expenses	<u>4,662</u>
Total current assets	<u><u>405,625</u></u>

Property and equipment

Furniture and equipment	14,570
Less - accumulated depreciation	<u>10,295</u>
Total property and equipment	<u><u>4,275</u></u>

Total Assets 409,900

LIABILITIES

Current liabilities

Accounts payable	5,844
Accrued expenses and other liabilities	<u>443</u>
Total current liabilities	<u><u>6,287</u></u>

NET ASSETS

Without donor restrictions	403,613
With donor restrictions	<u>-</u>
Total net assets	<u><u>403,613</u></u>

Total Liabilities and Net Assets 409,900

The accompanying notes are an integral part of these financial statements

**SAVANNAH/CHATHAM COUNTY COURT APPOINTED
 SPECIAL ADVOCATES, INC.
 STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

Change in Net Assets Without Donor Restrictions:

Support and Other Revenue

Contributions	133,340
Fundraising events	27,831
Grants and government funding	364,301
Payroll Protection Program funding	66,400
Interest income	20
Total support and other revenue	591,892

Expenses

Program services	400,633
Supporting services:	
Management and general	102,159
Fundraising	45,219
Total expenses	548,011

Increase in net assets 43,881

Net assets at beginning of year 359,732

Net assets at end of year 403,613

The accompanying notes are an integral part of these financial statements

SAVANNAH/CHATHAM COUNTY COURT APPOINTED SPECIAL ADVOCATES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Program Services	Supporting Services		Total Supporting Services	Total Functional Expenses
		Management and General	Fundraising		
Salaries and wages	335,544	73,026	36,716	109,742	445,286
Activities and gifts	16,485	-	-	-	16,485
Advertising	-	2,357	-	2,357	2,357
Bank charges and credit card fees	-	122	-	122	122
Conferences	7,894	-	-	-	7,894
Dues and subscriptions	-	30	-	30	30
Equipment rental	4,324	-	-	-	4,324
Fundraising costs	-	-	5,552	5,552	5,552
Insurance	3,393	3,393	-	3,393	6,786
Miscellaneous expenses	409	-	-	-	409
Payroll services	-	1,858	-	1,858	1,858
Postage	-	1,167	389	1,556	1,556
Professional fees	-	14,190	-	14,190	14,190
Supplies	2,496	-	-	-	2,496
Technology	3,454	3,454	-	3,454	6,908
Telephone	5,124	2,562	2,562	5,124	10,248
Training	12,635	-	-	-	12,635
Travel and meetings	7,741	-	-	-	7,741
Total before depreciation	399,499	102,159	45,219	147,378	546,877
Depreciation	1,134	-	-	-	1,134
Total functional expenses	<u>400,633</u>	<u>102,159</u>	<u>45,219</u>	<u>147,378</u>	<u>548,011</u>

The accompanying notes are an integral part of these financial statements

SAVANNAH/CHATHAM COUNTY COURT APPOINTED
SPECIAL ADVOCATES, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020

Cash flows from (for) operating activities	
Change in net assets	43,881
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	1,134
Net change in operating assets and liabilities:	
Accounts receivable - grants	28,060
Prepaid expenses	(3,040)
Accounts payable	(5,600)
Accrued expenses and other liabilities	(9,934)
Net cash from operating activities	<u>54,501</u>
 Cash flows for investing activities	
Purchase of property and equipment	<u>(2,126)</u>
Net cash for investing activities	<u>(2,126)</u>
 Net increase in cash and cash equivalents	52,375
 Beginning cash and cash equivalents	<u>262,874</u>
 Ending cash and cash equivalents	<u><u>315,249</u></u>
 Supplemental cash flow information	
Interest paid	<u><u>-</u></u>
Income taxes paid	<u><u>-</u></u>

The accompanying notes are an integral part of these financial statements

SAVANNAH/CHATHAM COUNTY
COURT APPOINTED SPECIAL ADVOCATES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

Note 1 – Nature of Activities

Savannah/Chatham County Court Appointed Special Advocates, Inc. (the Organization) was incorporated in 1993 by the State of Georgia as a nonprofit organization. The Organization was formed for charitable and educational purposes with the mission to provide training and supervision to volunteers who advocate for the best interest of abused and neglected children who are under the jurisdiction of the Chatham County Juvenile Court. Activities of the Organization are financed by government and private grants and by contributions from other organizations and individuals.

Note 2 – Summary of Significant Accounting Policies

Accounting Method – The Organization uses the accrual method of accounting, recognizing revenue as earned and expenses as incurred.

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

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time or will remain in perpetuity.

Contributions – Contributions received are recorded as increases in net assets without donor restrictions or net asset with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), 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.

Contributed Services – The Organization utilizes trained volunteers to fulfill its program requirements. Volunteer hours are tracked from grant reporting purposes, but the value of these services hours are not recorded in the accounts of the Organization. Other contributed services are recorded at fair market value if the services (a) create or enhance long-lived assets or (b) require specialized skills. The value of these contributed services is not reflected in the financial statements since it does not meet the criteria for recognition.

Cash and Cash Equivalents – For purpose of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

SAVANNAH/CHATHAM COUNTY
COURT APPOINTED SPECIAL ADVOCATES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

Note 2 – Summary of Significant Accounting Policies (Continued)

Concentration of Credit Risk – The Organization maintains cash balances at one financial institution located in Savannah, Georgia. The Federal Deposit Insurance Corporation (FDIC) insures account balances at the institution. As of December 31, 2020 the Organization’s uninsured cash balance totaled \$51,906.

Accounts Receivable – Grants – Accounts receivable are stated at unpaid balances. No allowance for doubtful accounts has been recorded since management considers all balances collectible.

Property and Equipment – Property and equipment acquired are stated at acquisition cost, or if donated, at the approximate fair value at the date of the donation. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets with range from five to seven years.

Advertising – The Organization charges the cost of advertising to expense as incurred.

Income Tax – The Organization is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and has been determined by the Internal Revenue Service not to be a private foundation under Section 509(a) of the Code. Contributions to the Organization are deductible within the limitations of the Code.

As of December 31, 2020, the tax years that remain subject to examination by taxing authorities begin with 2017. Management believes that all positions taken in those years would be sustained should those years be examined.

Note 3 – Liquidity

Financial assets available within one year of the statement of financial position date, without donor or other restrictions limiting their use, comprise the following:

Cash and cash equivalents	315,249
Accounts receivable - grants	85,714
Prepaid expenses	<u>4,662</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>405,625</u>

**SAVANNAH/CHATHAM COUNTY
COURT APPOINTED SPECIAL ADVOCATES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

Note 4 – New Accounting Pronouncements

In May 2014, the FASB issues 2014-09, Revenue from Contracts with Customers (Topic 606). This guidance outlines a single, comprehensive model for accounting for revenue from contracts with customers. This standard applies to the Organization because reimbursement basis grants represent a contract between the Organization and the grantor agency. The performance obligation from a reimbursement basis grant is satisfied when the costs to fulfill the contract have been incurred. Contract revenue is recognized at the time the costs are submitted to the grantor agency for reimbursement. The effects of adopting Topic 606 had little effect on the methods used by the Organization to recognize contract revenues.

In June 2018, the FASB issued ASU 2018-08 “Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made” (Topic 958). The ASU amends the current reporting model for nonprofit organization and enhances their required disclosures. The update assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, “Not-for-Profit Entities”, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional.” The Organization has implemented this ASU.

Note 5 – 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 reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Note 6 – Payroll Protection Program Loan

On April 21, 2020, the Organization received loan proceeds in the amount of \$66,400 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying organizations for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying organization. The loans and accrued interest are forgivable after twenty four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period.

On November 16, 2020, the entire balance of the loan was formally forgiven.

SAVANNAH/CHATHAM COUNTY
COURT APPOINTED SPECIAL ADVOCATES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

Note 7 – Operating Leases

The Organization leases office equipment with an expiration date of December 14, 2020 and non-cancellable lease terms. Lease expense for office equipment totaled \$2,939 for the year ending December 31, 2020. The Organization entered to a new non-cancellable lease agreement February 9, 2021 with an expiration date of January 9, 2026.

Future minimum lease payments for the remaining lease terms are as follows:

2021	1,562
2022	1,875
2023	1,875
2024	1,875
2025	1,875
Thereafter	<u>312</u>
	<u>9,374</u>

Note 8 – Office Space Agreement

Effective October 1, 2019 the Organization utilizes office space in the Chatham County Department of Family and Children Services (DFCS) building. The agreement is for a two-year term, with the option to extend for additional two-year periods thereafter. In lieu of rent, the Organization is required to provide support services to DFCS.

Note 9 – Functional Allocation of Expenses

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

Note 10 – Concentrations

The Organization receives over one half of its funding from grants and government contracts, and as such, economic impacts could jeopardize funding. These grants awards from federal, state, and local government entities are also subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with award restrictions.

Note 11 – Retirement Plan

The Organization sponsors a SIMPLE IRA plan, which covers all employees meeting certain eligibility requirements. The Organization will match up to 3% of the compensation of participating employees. The cost of this plan was \$12,099 for 2020.

SAVANNAH/CHATHAM COUNTY
COURT APPOINTED SPECIAL ADVOCATES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

Note 12 – Subsequent Events

Management has evaluated subsequent events through July 19, 2021, the date the financial statements were available to be issued.