West Alabama

Children's Advocacy Center, Inc.

Vernon, Alabama

December 31, 2021

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JAMES F. RANDOLPH Certified Public Accountant

Member American Institute of Certified Public Accountants



Member
Alabama Society of
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Independent Accountant's Review Report

The Board of Directors West Alabama Children's Advocacy Center, Inc. Vernon, Alabama

Report on the Financial Statements

We have reviewed the accompanying financial statements of West Alabama Children's Advocacy Center, Inc., which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, changes in net assets, statement of functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

Independent Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

February 10, 2022

James F. Randolph Certified Public Accountant

West Alabama Children's Advocacy Center, Inc. Statement of Financial Position December 31, 2021

Assets

| Current Assets Cash in Bank - Checking Cash in Bank - Savings Accounts Receivable Total Current Assets | | \$ | 3,329.82 40,484.91 21,490.80 65,305.53 | |
|--|----------------------------|----|--|-----------------|
| Property and Equipment Building and Improvements Furniture and Equipment Total Fixed Assets Less: Accumulated Depreciation Net Property and Equipment | | | 101,485.67 26,590.22 128,075.89 (113,123.85) 14,952.04 | |
| Total Assets | | | | \$ 80,257.57 |
| | Liabilities and Net Assets | | | |
| Current Liabilities Accounts Payable Payroll Taxes Payable Total Current Liabilities | | \$ | <u>-</u> | |
| Non-Current Liabilities | | - | | |
| Total Liabilities | | | | |
| Net Assets With Donor Restrictions Without Donor Restrictions | | | 80,257.57 | |
| Total Liabilities and Net Assets | | | | \$ 80,257.57 |

West Alabama Children's Advocacy Center, Inc. Statement of Activities Year Ended December 31, 2021

| Revenues | | Net Assets With Donor Restrictions | Net Assets Without Donor Restrictions | | Total |
|--|-----|--|---|----|------------|
| Alabama Network of Children's Advocacy Centers | \$- | | \$ 49,563.47 | \$ | 49,563.47 |
| ADECA Grants | | 94,992.31 | ,, | ~ | 94,992.31 |
| Court Fees | | | 23,699.35 | | 23,699.35 |
| Corporate and Foundations | | | 46,645.22 | | 46,645.22 |
| Donated In-Kind Ground Lease | | | 18,000.00 | | 18,000.00 |
| Church Donations | | | 4,362.48 | | 4,362.48 |
| FOP LC Lodge 33 | | | 500.00 | | 500.00 |
| Miscellaneous Income | | | 133.15 | | 133.15 |
| Private Sector Donations | | | 980.00 | | 980.00 |
| Net Assets released from restriction: | | | | | |
| ADECA Grants | | (94,992.31) | 94,992.31 | | - |
| Total Revenues | \$ | - | \$ 238,875.98 | \$ | 238,875.98 |
| Expenditures | | | | | |
| Director's Salary | | | 63,150.00 | | 63,150.00 |
| Other Salaries | | | 63,450.00 | | 63,450.00 |
| In-Kind Lot Rent | | | 18,000.00 | | 18,000.00 |
| Retirement Plan | | | 13,545.00 | | 13,545.00 |
| Payroll Tax Expense | | | 9,685.19 | | 9,685.19 |
| Travel and Per Diem | | | 7,083.84 | | 7,083.84 |
| Power and Water | | | 5,508.92 | | 5,508.92 |
| Depreciation Expense | | | 4,905.49 | | 4,905.49 |
| Insurance | | | 3,230.00 | | 3,230.00 |
| Maintenance and Repairs | | | 3,044.80 | | 3,044.80 |
| Phones & Internet | | | 2,504.26 | | 2,504.26 |
| Office Expense and Supplies | | | 1,975.36 | | 1,975.36 |
| Professional Services | | | 1,537.50 | | 1,537.50 |
| Workers Comp | | | 371.00 | | 371.00 |
| Dues | | | 250.00 | | 250.00 |
| Total Expenses | 0 | - | 198,241.36 | | 198,241.36 |
| Increase in Net Assets | | | | | 40,634.62 |
| Net Assets - Beginning of Year | | | | T. | 39,622.95 |
| Net Assets - End of Year | | | | \$ | 80,257.57 |

West Alabama Children's Advocacy Center, Inc. Statement of Cash Flows Year Ended December 31, 2021

Cash Flows from Operating Activities

| Increase (Decrease) in Net Assets | \$ | 40,634.62 | | |
|--|--|--------------------|----|------------|
| Adjustment to reconcile change in net assets to assets provided by operating activities: Depreciation (Increase) decrease in accounts receivable | | 4,905.49 874.22 | | |
| Cash Provided by Operating Activities | ************************************** | | \$ | 46,414.33 |
| Cash Used in Investing Activities Property and Equipment (Purchases) | | (9,681.22) | | |
| Net Cash Used in Investing Activities | | | | (9,681.22) |
| Cash Flows from Financing Activities | | := | | |
| Net Cash Used in Financing Activities | | | / | :- |
| Net Increase (Decrease) in Cash | | | | 36,733.11 |
| Cash Balance - Beginning | | | - | 7,081.62 |
| Cash Balance - Ending | | | \$ | 43,814.73 |

West Alabama Children's Advocacy Center, Inc. Statement of Functional Expenses Year Ended December 31, 2021

| | Program Expenses | Management and General | Total |
|-----------------------------|---------------------|------------------------|---------------|
| Director's Salary | \$ 47,362.50 | \$ 15,787.50 | \$ 63,150.00 |
| Other Salaries | 63,450.00 | | 63,450.00 |
| In-Kind Lot Rent | 18,000.00 | - | 18,000.00 |
| Retirement Plan | 11,919.60 | 1,625.40 | 13,545.00 |
| Payroll Tax Expense | 8,522.97 | 1,162.22 | 9,685.19 |
| Travel and Per Diem | 4,958.69 | 2,125.15 | 7,083.84 |
| Power and Water | 3,856.24 | 1,652.68 | 5,508.92 |
| Depreciation Expense | 3,433.84 | 1,471.65 | 4,905.49 |
| Insurance | 2,250.00 | 980.00 | 3,230.00 |
| Maintenance and Repairs | 2,131.36 | 913.44 | 3,044.80 |
| Phones & Internet | 1,752.98 | 751.28 | 2,504.26 |
| Office Expense and Supplies | 1,382.75 | 592.61 | 1,975.36 |
| Professional Services | 1,076.25 | 461.25 | 1,537.50 |
| Workers Comp | 259.70 | 111.30 | 371.00 |
| Dues | 175.00 | 75.00 | 250.00 |
| Totals | \$170,531.89 | \$ 27,709.47 | \$ 198,241.36 |

West Alabama Children's Advocacy Center, Inc. Notes to Financial Statements December 31, 2021

Note 1: Company Profile

West Alabama Children's Advocacy Center, Inc. is a non-profit organization serving as an interview facility designed to coordinate the efforts of local law enforcement, social service and professional agencies in such ways as to meet the needs of the child abuse victim and to improve the prosecution and management of such cases in order to hold the offenders accountable.

The Center began interviewing children in August of 2000 at the Vernon, AL location. In January of 2001, a satellite location in Fayette, AL began providing services. Another satellite facility in Pickens County, AL was opened during 2006.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting - The accompanying financial statements are presented using the accrual basis of accounting which recognizes revenues and expenses when earned or incurred rather than when received or disbursed.

Property and equipment is stated at its cost if purchased and at its fair market value at the date of the gift if donated and does not purport to represent replacement or realizable value. For financial reporting purposes, the fixed assets are depreciated on the straight line method over the estimated service lives of the individual assets. Upon sale or retirement of the items of equipment, the cost and related accumulated depreciation are eliminated from the accounts and the resulting gain or loss, if any, is reflected in income. Maintenance and minor repairs and replacements are charged directly to income, major renewals and improvements are charged to the property account.

The estimated useful lives of the depreciable assets are as follows:

| Computers/office machines | 5 | Years |
|---------------------------|----|-------|
| Furniture/equipment | 7 | Years |
| Building/improvements | 15 | Years |

Note 3: Tax Status

The Organization is exempt from income taxes under the provision of Section 501(c)(3) of the Internal Revenue Code and Code of Alabama 1975, Sections 22-51-1 through 22-51-14, 1982 Cumulative Supplement. Form 990 is filed with the Internal Revenue Service as an information return.

(continued) See accountant's report

West Alabama Children's Advocacy Center, Inc. Notes to Financial Statements December 31, 2021

Note 4: Employee Retirement Plan

Management has established a SEP retirement plan whereby the employer contribution percentage is set by the Board based upon available funding. The amount contributed for all eligible employees averaged 10.70% of their salaries for the year ended December 31, 2021. The total retirement plan expense for 2021 was \$13,545.

Note 5: Cash and Cash Equivalents

Cash held in checking and money market accounts are as follows:

| Book balance | \$ 43,814.73 |
|--|-----------------|
| Bank balance | \$ 47,510.30 |
| Amount covered by FDIC insurance | 47,510.30 |
| Uninsured and uncollateralized portion | \$ = |

Note 6: Accounts Receivable

Accounts Receivable include billed ADECA grant reimbursement payments for the months of October, November, and December, 2021. The total amount due is \$21,490.80.

Note 7: Estimates and Assumptions

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Note 8: Donated Ground Lease

The Organization has use of real estate lots where its office facilities are located in each of Fayette, Lamar, and Pickens counties. That amount of \$18,000 has been recognized in the financial statements as income with a corresponding amount recognized as expense.

(continued) See accountant's report

West Alabama Children's Advocacy Center, Inc. Notes to Financial Statements December 31, 2021

Note 9: Related Parties

West Alabama Children's Advocacy Center, Inc. is a member of the Alabama Network of Children's Advocacy Centers, Inc. whose board of directors is comprised of the executive directors of each of the member centers. The Network receives funding from the State of Alabama General Fund and the Education Trust Fund and allocates that funding to the member centers on a monthly basis. The amount received from the Alabama Network of Children's Advocacy Centers, Inc. for the year ended December 31, 2021 was \$49,563.47.

Note 10: Subsequent Events

Management has evaluated subsequent events through February 10, 2022 which was the date the financial statements were available for release.

Note 11: Liquidity Management

West Alabama Children's Advocacy Center, Inc.'s financial assets available within one year of the balance sheet date for general expeditures are as follows:

| Total | 65,305.53 |
|-----------------------------|-----------|
| Accounts receivable - ADECA | 21,490.80 |
| Cash and cash equivalents | 43,814.73 |

43,814.73

The ADECA funds receivable represent grant payments provided on a reimbursement basis for grant approved expenditures already made. Therefore, these reimbursed funds are released from donor restrictions immediately as they are received. Monthly expenditures average \$14,611 giving the Center approximately 133 days reserve operating expenses.