

CHILD ADVOCATES OF CONNECTICUT, INC.

FINANCIAL STATEMENTS

Years ended June 30, 2016 and 2015

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Capossela, Cohen, LLC

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Independent Accountant's Review Report

To the Board of Directors of
Child Advocates of Connecticut, Inc.
Westport, Connecticut

We have reviewed the accompanying financial statements of Child Advocates of Connecticut, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and cash flows for the years 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 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 the financial statements that are free from material misstatement whether due to fraud or error.

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 AICPA. 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 reviews, 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.

Capossela, Cohen, LLC

October 14, 2016

CHILD ADVOCATES OF CONNECTICUT, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2016 and 2015

	Assets	
	<u>2016</u>	<u>2015</u>
Assets		
Cash and cash equivalents	\$ 379,084	\$ 291,296
Deposits	<u>511</u>	<u>511</u>
Total assets	\$ <u>379,595</u>	\$ <u>291,807</u>
	Net assets	
Net assets		
Temporarily restricted	\$ -	\$ 16,250
Board designated fund for operations	40,000	-
Unrestricted	<u>339,595</u>	<u>275,557</u>
Total net assets	\$ <u>379,595</u>	\$ <u>291,807</u>

See accompanying notes and independent accountant's review report

CHILD ADVOCATES OF CONNECTICUT, INC.
STATEMENT OF ACTIVITIES
For the year ended June 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue			
Contributions	\$ 122,541	\$ -	\$ 122,541
Program services	50,000	-	50,000
Fundraising special event	179,274	-	179,274
Less: costs of direct benefit to donors	(25,939)	-	(25,939)
Net fundraising special event revenue	153,335	-	153,335
Grants	73,000	-	73,000
Investment income	119	-	119
	<u>398,995</u>	<u>-</u>	<u>398,995</u>
Net assets released from restrictions			
Satisfaction of program restrictions	16,250	(16,250)	-
	<u>16,250</u>	<u>(16,250)</u>	<u>-</u>
Total support and revenue	415,245	(16,250)	398,995
Expenses			
Program services	248,734	-	248,734
Supporting services:			
Management and general	34,534	-	34,534
Fundraising	27,939	-	27,939
	<u>311,207</u>	<u>-</u>	<u>311,207</u>
Total expenses	311,207	-	311,207
Change in net assets	104,038	(16,250)	87,788
Net assets at beginning of year	<u>275,557</u>	<u>16,250</u>	<u>291,807</u>
Net assets at end of year	\$ <u><u>379,595</u></u>	\$ <u><u>-</u></u>	\$ <u><u>379,595</u></u>

See accompanying notes and independent accountant's review report

CHILD ADVOCATES OF CONNECTICUT, INC.
STATEMENT OF ACTIVITIES
For the year ended June 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue			
Contributions	\$ 108,403	\$ -	\$ 108,403
Program services	50,000	-	50,000
Fundraising special event	130,160	-	130,160
Less: costs of direct benefit to donors	(16,642)	-	(16,642)
Net fundraising special event revenue	113,518	-	113,518
Grants	63,400	16,250	79,650
Investment income	59	-	59
	<u>335,380</u>	<u>16,250</u>	<u>351,630</u>
Net assets released from restrictions			
Satisfaction of program restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Total support and revenue	335,380	16,250	351,630
Expenses			
Program services	247,011	-	247,011
Supporting services:			
Management and general	33,868	-	33,868
Fundraising	27,889	-	27,889
	<u>308,768</u>	<u>-</u>	<u>308,768</u>
Change in net assets	26,612	16,250	42,862
Net assets at beginning of year	<u>248,945</u>	<u>-</u>	<u>248,945</u>
Net assets at end of year	\$ <u>275,557</u>	\$ <u>16,250</u>	\$ <u>291,807</u>

See accompanying notes and independent accountant's review report

CHILD ADVOCATES OF CONNECTICUT, INC.
STATEMENTS OF CASH FLOWS
For the years ended June 30, 2016 and 2015

Increases (decreases) in cash

	<u>2016</u>		<u>2015</u>
Cash flows from operating activities:			
Change in net assets	\$ 87,788	\$	42,862
Cash and cash equivalents, beginning of year	<u>291,296</u>		<u>248,434</u>
Cash and cash equivalents, end of year	\$ <u>379,084</u>	\$	<u>291,296</u>

See accompanying notes and independent accountant's review report

CHILD ADVOCATES OF CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015

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

Nature of activities

Child Advocates of Connecticut, Inc. (the "Organization") recruits, trains and supervises court appointed volunteers who work to ensure that each abused or neglected child has a safe, loving and permanent home. The Organization is also doing business as Child Advocates of SW Connecticut.

Financial statement presentation

The Organization has adopted accounting standards which require the Organization to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

Net asset categories

To ensure observance of limitations and restrictions that may be placed on the use of resources available, the accounts of the Organization are maintained in the following net asset categories:

Unrestricted - Unrestricted net assets represent available resources other than donor restricted contributions. Donor restricted contributions which are satisfied in the same reporting period when the contribution is received are treated as unrestricted contributions. Included in unrestricted net assets are grants and contracts that are earmarked for the general purpose use of the Organization.

Temporarily restricted - Temporarily restricted net assets represent those amounts which are donor restricted for specific purposes. When a donor imposed time restriction ends or a purpose 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.

Permanently restricted - Permanently restricted net assets represent contributions that are limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization. As of June 30, 2016 and 2015, the Organization had no permanently restricted net assets.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure 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 those estimates.

CHILD ADVOCATES OF CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015

Note A - Nature of Activities and Summary of Significant Accounting Policies (continued)

Income taxes

The Organization is a Connecticut non-stock corporation that is exempt from taxes under Section 501 (a) of the Internal Revenue Code as an organization described under Section 501(c) (3) of the code. A ruling from the Internal Revenue Service has determined that the Organization will be treated as a publicly supported organization, and not a private foundation. This qualifies the Organization for the 50% charitable contribution deduction for individual donors. Consequently, the accompanying financial statements do not include any provision for income taxes.

The Organization recognizes the effect of tax positions only when they are more likely than not of being sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition. Tax years dating back to 2013 are open for audit by federal and state authorities.

Cash equivalents

The Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Concentration of credit risk

The Organization maintains cash balances in several financial institutions located in Connecticut. The balances may from time to time exceed the amount insured by the Federal Deposit Insurance Corporation.

Contributed services

A portion of the Organization's functions and activities related to fundraising events are conducted by unpaid volunteers and officers of the Organization. The value of these services is not recorded in the statement of activities because they do not meet the criteria for recognition. Also, the Organization recruits, trains and supervises court appointed volunteers. There were 65 and 59 court appointed volunteers during the years ended June 30, 2016 and 2015, respectively.

Reclassifications

Certain amounts in the prior year have been reclassified for financial statement presentation purposes.

Note B - Temporarily Restricted Net Assets

Temporarily restricted net assets as of June 30, 2015 totaled \$16,250. These funds were restricted for the expansion of the Organization's volunteer advocacy services for older youth in foster care. During the year ended June 30, 2016, the funds were released and spent in conjunction with the underlying purpose. There were no additional temporarily restricted funds received during the year and the balance as of June 30, 2016 was zero.

CHILD ADVOCATES OF CONNECTICUT, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015

Note C - Operating Leases

Effective October 1, 2012, the Organization entered into an operating lease agreement to lease its facility on a month-to-month basis. Rent expense for the years ended June 30, 2016 and 2015 totaled \$7,069 and \$6,331, respectively.

Note D - Program, Management and General, and Fundraising Expenses

Program, management and general and fundraising expenses consist of the following:

June 30, 2016	% of Total Expenses	Total	Salaries and related taxes	Professional fees	Insurance	Rent	Other
Program Services	80%	\$ 248,734	\$ 222,937	\$ -	\$ 4,847	\$ 7,069	\$ 13,881
Management and General	11%	34,534	26,088	5,670	-	-	2,776
Fundraising	9%	27,939	26,088	-	-	-	1,851
Total	100%	\$ 311,207	\$ 275,113	\$ 5,670	\$ 4,847	\$ 7,069	\$ 18,508

June 30, 2015	% of Total Expenses	Total	Salaries and related taxes	Professional fees	Insurance	Rent	Other
Program Services	80%	\$ 247,011	\$ 217,756	\$ -	\$ 4,928	\$ 6,331	\$ 17,996
Management and General	11%	33,868	25,489	4,780	-	-	3,599
Fundraising	9%	27,889	25,489	-	-	-	2,400
Total	100%	\$ 308,768	\$ 268,734	\$ 4,780	\$ 4,928	\$ 6,331	\$ 23,995

Note E - Subsequent Events

Date of management evaluation

Management has evaluated subsequent events through October 14, 2016, the date on which the financial statements were available to be issued.