CHILDREN'S AID SOCIETY OF ALABAMA
& CHILDREN'S AID FOUNDATION

Combined Financial Statements
and
Supplemental Information

For The Years Ended
September 30, 2023 and 2022

CHILDREN'S AID SOCIETY OF ALABAMA & CHILDREN'S AID FOUNDATION

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CHILDREN'S AID SOCIETY OF ALABAMA & CHILDREN'S AID FOUNDATION

Nature of Operations
For the Years Ended September 30, 2023 and 2022

Children's Aid Society of Alabama (CAS), formed in 1912 and incorporated February 21, 1913, is a nonprofit agency serving children, youth, and their families. CAS was formed prior to the Alabama Department of Human Resources by a group of citizens who were concerned for the well-being of children. CAS' headquarters are centrally located in Birmingham's Southside within its *Center for Youth and Families*.

The foundation of CAS' services lies with ***Trauma-Informed Care.*** In 2016, CAS became a Trauma-Informed Care Organization by engaging a national consultant to lead staff and the Board through a self-evaluation and training process. CAS is committed to seeing clients from the perspective of what has happened to them and not what is wrong with them, then building upon strengths to support and promote healing and resilience.

TARGET POPULATION: Children (ages 0-13), youth (ages 14-21), young adults (ages 22-26), and families in need of services provided by our initiatives.

SERVICE AREA: Alabama, 67 counties.
SERVICE FACILITIES: *Headquarters*: Birmingham, AL ; Sa*tellite Offices*: Huntsville, Mobile, Montgomery

CAS SIGNATURE INITIATIVES:

- **Adoption Support and Adoption Training Online**
  - Helping adult adoptees, birth parents, and prospective, adoptive families navigate the adoption journey. Supporting the long legacy CAS has with adoption placements through 1993.
- **Alabama Pre/Post Adoption Connections (APAC)**
  - Recruiting, empowering, and supporting adoptive families facing adoption challenges through training, peer support groups, counseling, adoptive family mentoring, resource libraries, networking, and Camp APAC.
- **Child Trafficking Solutions Project (CTSP)**
  - A statewide coalition of human trafficking organizations; local, state, and federal law enforcement; government agencies; non-profit organizations; child protective services; and survivor care providers. CTSP works to recognize, rescue and restore child victims of sex trafficking
- **Effective Parenting Instruction Course (EPIC)**
  - FREE classes, in English and Spanish, for at-risk parents in Jefferson and Shelby counties seeking assistance with their parenting skills. Topics include communication, age-appropriate natural and logical actions/consequences, Shaken Baby Prevention, Safe Sleep environment, and Smoking Cessation.
- **Family Partners (FP)**
  - In-home, intensive crisis intervention and family education services. Priorities are **preservation** of families at imminent risk of child removal due to abuse/neglect, and **reunification** of families whose children have been removed for safety concerns.
- **Independent Living (IL)**
  - Advocacy and empowerment for youth in foster care to facilitate their transition to adulthood. Monthly meetings and an annual camp include topics such as: healthy decision making, home-building, higher education access, career counseling, leadership development, and positive coping skills.
- **Project Independence (PI)**
  - Providing a safe, stable home for pregnant and/or parenting homeless, young parents (ages 16-22) and their children while they achieve education and employment goals. PI provides individualized support with the goals of breaking cycles of homelessness, abuse and neglect, while increasing the ability of young families to thrive together.

BORLAND | BENEFIELD

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Children's Aid Society of Alabama & Children's Aid Foundation

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying combined financial statements of Children's Aid Society of Alabama (CAS) & Children's Aid Foundation (the Foundation), a nonprofit organization, which comprise the combined statement of financial position as of September 30, 2023 and 2022, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of CAS and the Foundation as of September 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CAS and the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CAS and the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 CAS and the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CAS and the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the financial statements. The combining financial statements are also presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and combining financial statements are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2024, on our consideration of CAS and the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of CAS and the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CAS and the Foundation's internal control over financial reporting and compliance.

Borland Benefield P.C.

Borland Benefield, P.C.
Birmingham, Alabama
January 11, 2024

CHILDREN'S AID SOCIETY OF ALABAMA & CHILDREN'S AID FOUNDATION

Combined Statement of Financial Position

	As of September 30, 2023	2022
Assets		
Cash and cash equivalents	$ 637,763	$ 1,327,142
Investments, at fair value	6,978,772	5,893,689
Receivables		
Grants receivable	485,650	477,195
Unconditional promises to give, net	8,870	11,605
Other	-	-
Prepaid expenses	10,360	37,625
Other assets	9,259	9,918
Property and equipment, net	1,725,219	1,792,965
Operating lease right-of-use assets	275,853	-
Total Assets	$ 10,131,746	$ 9,550,139
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 27,022	$ 54,655
Accrued payroll and payroll taxes	291,896	325,014
Refundable deposits	788	788
Lease liabilities	276,710	-
Total Liabilities	596,416	380,457
Net Assets		
Without donor restrictions	9,163,527	8,820,962
With donor restrictions	371,803	348,720
Total Net Assets	9,535,330	9,169,682
Total Liabilities and Net Assets	$ 10,131,746	$ 9,550,139

See accompanying notes to financial statements.

CHILDREN'S AID SOCIETY OF ALABAMA & CHILDREN'S AID FOUNDATION

Combined Statement of Activities
For the Year Ended September 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Grant revenue	$ -	$ 3,216,921	$ 3,216,921
United Way allocation	812,782	-	812,782
Contributions and memorials	179,995	73,550	253,545
Investment income, net	823,900	-	823,900
Other	28,836	-	28,836
Event income	12,608	-	12,608
Program service fees	-	8,270	8,270
Net assets released from restrictions	3,275,658	(3,275,658)	-
Total Revenue and Support	5,133,779	23,083	5,156,862
Expenses			
Program Services			
APAC	2,394,362	-	2,394,362
Family partners	714,756	-	714,756
Independent living camps and conferences	705,372	-	705,372
Project independence	392,029	-	392,029
Prevention services	90,985	-	90,985
CTSP	61,950	-	61,950
Supporting services			
Development	36,033	-	36,033
Management and general	395,727	-	395,727
Total Expenses	4,791,214	-	4,791,214
Change in Net Assets	342,565	23,083	365,648
Net Assets, Beginning of Year	8,820,962	348,720	9,169,682
Net Assets, End of Year	$ 9,163,527	$ 371,803	$ 9,535,330

See accompanying notes to financial statements.

CHILDREN'S AID SOCIETY OF ALABAMA & CHILDREN'S AID FOUNDATION

Combined Statement of Activities
For the Year Ended September 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Grant revenue	$ -	$ 2,939,298	$ 2,939,298
United Way allocation	800,389	-	800,389
Contributions and memorials	165,845	130,828	296,673
Investment income, net	(1,190,632)	-	(1,190,632)
Other	40,967	-	40,967
Event income	1,020	-	1,020
Program service fees	-	5,221	5,221
Net assets released from restrictions	3,098,430	(3,098,430)	-
Total Revenue and Support	2,916,019	(23,083)	2,892,936
Expenses			
Program Services			
APAC	2,173,571	-	2,173,571
Family partners	695,128	-	695,128
Independent living camps and conferences	781,105	-	781,105
Project independence	369,957	-	369,957
Prevention services	107,485	-	107,485
CTSP	6,433	-	6,433
Supporting services			
Development	69,671	-	69,671
Management and general	287,144	-	287,144
Total Expenses	4,490,494	-	4,490,494
Change in Net Assets	(1,574,475)	(23,083)	(1,597,558)
Net Assets, Beginning of Year	10,395,437	371,803	10,767,240
Net Assets, End of Year	$ 8,820,962	$ 348,720	$ 9,169,682

See accompanying notes to financial statements.

CHILDREN'S AID SOCIETY OF ALABAMA & CHILDREN'S AID FOUNDATION

Combined Statement of Functional Expenses
For the Year Ended September 30, 2023

	APAC	Family Partners	ILC&C	Project Independence	Prevention Services	CTSP	Development	Management and General	Total
Functional Expenses									
Salaries and Related Costs									
Salaries	$ 1,057,910	$ 319,910	$ 165,529	$ 158,382	$ 38,559	$ -	$ 15,417	$ 651,306	$ 2,407,013
Payroll taxes	78,964	23,852	12,519	11,822	3,026	-	1,286	43,887	175,356
Employee benefits & other payroll costs	147,268	75,356	27,348	23,289	10,339	-	132	90,312	374,044
Total Salaries and Related Costs	1,284,142	419,118	205,396	193,493	51,924	-	16,835	785,505	2,956,413
Other Expenses									
Assistance to individuals	240,362	7,408	365,564	97,126	7,479	-	-	1,698	719,637
Reimbursement staff mileage	46,472	51,665	11,938	2,388	1,223	4,536	322	8,864	127,408
Professional fees and service contracts	47,268	38,253	8,827	9,705	1,453	30,366	2,801	95,299	233,972
Occupancy	98,445	8,788	13,488	7,155	-	3,860	5,040	16,277	153,053
Contract labor	-	-	-	604	5,005	-	-	-	5,609
Education	56,257	8,134	3,765	2,061	816	2,609	-	18,105	91,747
Telephone and internet	13,730	8,059	2,191	2,924	490	307	430	26,971	55,102
Insurance	23,985	13,838	-	5,535	2,768	-	-	38,333	84,459
Recruitment staff and families	63,623	127	499	343	59	12	-	3,062	67,725
Supplies	4,748	3,081	424	169	329	4,390	-	15,110	28,251
Agency sponsored events	7,535	308	-	-	1,935	-	-	15,556	25,334
Travel	29,352	2,391	17,637	1,875	385	3,112	177	9,804	64,733
Printing and reproduction	5,381	93	246	111	121	398	-	2,503	8,853
Organization dues and subscriptions	1,589	-	69	48	200	108	2,424	9,728	14,166
Bank fees	-	-	-	-	-	-	-	9,293	9,293
Consultation	5,009	2,193	-	-	-	9,200	-	-	16,402
Postage and shipping	1,243	-	-	2	77	34	310	996	2,662
Miscellaneous	2,969	49	-	347	-	-	-	495	3,860
In-kind	-	-	-	-	-	-	-	-	-
Equipment repairs and maintenance	2,993	-	-	-	-	3,018	-	267	6,278
Library supplies	1,466	-	-	-	-	-	-	-	1,466
Special Events			157	-	-	-	66	2,213	
Equipment rental/lease	-	-	-	-	-	-	-	504	504
Total Other Expenses	652,427	144,387	424,805	130,393	22,340	61,950	11,570	275,078	1,722,950
Total expenses before depreciation and indirect cost allocation	1,936,569	563,505	630,201	323,886	74,264	61,950	28,405	1,060,583	4,679,363
Depreciation	888	2,198	52	-	-	-	-	108,713	111,851
Indirect cost allocation	456,905	149,053	75,119	68,143	16,721	-	7,628	(773,569)	-
Total Functional Expenses	$ 2,394,362	$ 714,756	$ 705,372	$ 392,029	$ 90,985	$ 61,950	$ 36,033	$ 395,727	$ 4,791,214

See accompanying notes to financial statements.

CHILDREN'S AID SOCIETY OF ALABAMA & CHILDREN'S AID FOUNDATION

Combined Statement of Functional Expenses
For the Year Ended September 30, 2022

	APAC	Family Partners	ILC&C	Project Independence	Prevention Services	CTSP	Development	Management and General	Total
Functional Expenses									
Salaries and Related Costs									
Salaries	$ 956,815	$ 323,653	$ 194,374	$ 151,055	$ 53,448	$ -	$ 32,459	$470,056	$ 2,181,860
Payroll taxes	69,599	25,845	13,904	10,952	3,991	-	2,767	35,903	162,961
Employee benefits & other payroll costs	137,584	51,906	27,970	23,033	8,269	-	2,416	113,868	365,046
Total Salaries and Related Costs	1,163,998	401,404	236,248	185,040	65,708	-	37,642	619,827	2,709,867
Other Expenses									
Assistance to individuals	277,814	9,786	277,918	92,184	10,111	-	-	1,221	669,034
Reimbursement staff mileage	26,046	35,227	14,828	1,343	358	201	1,245	5,358	84,606
Professional fees and service contracts	46,662	45,418	149,887	11,153	4,763	6,000	3,409	140,301	407,593
Occupancy	95,374	4,780	13,488	6,519	-	-	5,040	7,504	132,705
Contract labor	-	-	-	300	-	-	-	-	300
Education	52,096	3,176	1,423	-	430	-	-	4,553	61,678
Telephone and internet	17,307	11,517	2,412	2,816	565	-	631	21,903	57,151
Insurance	23,319	19,181	-	5,685	2,694	-	-	27,973	78,852
Recruitment staff and families	32,755	796	259	174	332	27	-	1,240	35,583
Supplies	3,184	2,010	79	6	112	-	-	14,213	19,604
Agency sponsored events	1,241	-	157	-	35	-	-	11,789	13,222
Travel	10,327	5,705	2,594	-	130	130	138	10,911	29,935
Printing and reproduction	8,991	534	285	17	123	-	452	1,166	11,568
Organization dues and subscriptions	2,505	-	43	43	225	75	4,774	10,837	18,502
Bank fees	-	-	-	-	-	-	-	7,992	7,992
Consultation	1,783	362	-	-	-	-	-	-	2,145
Postage and shipping	3,750	85	56	1	28	-	840	1,008	5,768
Miscellaneous	3,555	371	114	964	47	-	618	1,872	7,541
Equipment repairs and maintenance	-	-	-	-	-	-	-	609	609
Library supplies	964	-	-	-	-	-	-	-	964
Equipment rental/lease	540	350	-	-	-	-	-	512	1,402
Total Other Expenses	608,213	139,298	463,543	121,205	19,953	6,433	17,147	270,962	1,646,754
Total expenses before depreciation and indirect cost allocation	1,772,211	540,702	699,791	306,245	85,661	6,433	54,789	890,789	4,356,621
Depreciation	3,602	4,878	531	259	-	-	-	124,603	133,873
Indirect cost allocation	397,758	149,548	80,783	63,453	21,824	-	14,882	(728,248)	-
Total Functional Expenses	$ 2,173,571	$ 695,128	$ 781,105	$ 369,957	$ 107,485	$ 6,433	$ 69,671	$ 287,144	$ 4,490,494

See accompanying notes to financial statements.

CHILDREN'S AID SOCIETY OF ALABAMA & CHILDREN'S AID FOUNDATION

Combined Statement of Cash Flows

	For the Years Ended September	
	2023	**2022**
Cash Flows From Operating Activities		
Cash received from United Way	$ 812,782	$ 800,389
Foundation and government grant receipts	3,208,466	3,103,186
Contributions receipts	256,280	303,569
Interest received	239,053	157,866
Special event receipts	12,608	1,020
Other income received	207,106	247,731
Cash paid for programs and operations	(4,881,333)	(4,664,832)
Net Cash (Used) by Operating Activities	(145,038)	(51,071)
Cash Flows From Investing Activities		
Purchase of investment securities	(3,577,474)	(2,156,460)
Proceeds from sales of investments	3,077,749	2,822,701
Acquisition of property, plant and equipment	(44,616)	(4,948)
Net Cash Provided / (Used) by Investing Activities	(544,341)	661,293
Net Change in Cash and Cash Equivalents	(689,379)	610,222
Cash and Cash Equivalents, Beginning of Year	1,327,142	716,920
Cash and Cash Equivalents, End of Year	$ 637,763	$ 1,327,142

See accompanying notes to financial statements.

Note 1 – Summary of Significant Accounting Policies

Combined Financial Statements – The combined financial statements presented are the combined financial statements of the Children's Aid Society (CAS) and Children's Aid Foundation (the Foundation). Combined financial statements are presented because the Foundation solicits contributions to be used by or for CAS, and its primary purpose is to provide support to CAS. The Foundation has a separate Board; however, common control is sufficient to warrant combination. Transactions between the CAS and the Foundation have been eliminated.

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Basis of Presentation – CAS reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of CAS, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

Promises to Give - Unconditional promises to give are recognized as revenue in the period received and as assets, decreases in liabilities or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Cash and Cash Equivalents – For purposes of the statement of cash flows, CAS considers all unrestricted highly liquid investments with a maturity of three months or less to be cash equivalents. Cash held in security accounts are considered part of the investment portfolio.

Investments – The fair value of investments in marketable equity securities is based on quoted market prices.

Receivables – Management reviews all receivables annually for uncollectible accounts. At year end, management believes that all amounts included in receivables are collectible and an allowance for uncollectible accounts would be immaterial to the financial statements.

Income Taxes – CAS is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code. As of September 30, 2023, CAS had no uncertain tax positions that qualify for disclosure in the financial statements. CAS files an annual Form 990 with the Internal Revenue Service, and its tax return for the year ended 2020 and subsequent years remain subject to examination by tax authorities.

Note 1 – Summary of Significant Accounting Policies (continued)

Property and Equipment – Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, CAS reports expirations of donor restrictions when the donated or acquired assets are placed in service. CAS reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment is capitalized at cost if purchase price exceeds $500 or fair market value if donated. Property and equipment is depreciated using the straight-line method over the estimated useful life of the asset.

Contributions – Support that is restricted by the donor is reported as an increase in net assets without donor restrictions, if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Concentration of Contributions – CAS receives approximately 63% of its annual budget income from the Alabama Department of Human Resources and 18% from the United Way of Central Alabama (United Way). At year-end, approximately 96% of CAS's grants receivable balance was due from the Alabama Department of Human Resources. Any changes in the Alabama Department of Human Resources or United Way budgets would significantly affect CAS and its operations.

Functional Expense Allocation – The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited through the indirect cost allocation which is based on the salary amounts of the employees under the specific programs.

Revenue from Contracts with Customers – CAS has adopted ASC Topic 606, Revenue from Contracts with Customers ("ASC 606"), which provides guidance for reporting revenue from the Organization's contracts to provide goods or services to customers. The guidance requires recognition of revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration that it expects to be entitled to receive in exchange for those goods or services recognized as performance obligations are satisfied. A significant portion of the CAS's revenue-generating transactions are excluded from the scope of ASC 606, including revenue generated from public support and federal funding as well as financial instruments, such as investment securities.

Revenue-generating transactions that are within the scope of ASC 606 are described as follows:

Program Fees – revenue from program fees are recorded at the completion of the program.

Adoption of New Accounting Principle – In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which supersedes existing guidance for accounting for leases under Topic 840, Leases. The FASB also subsequently issued the following additional ASUs, which amend and clarify Topic 842: ASU 2018-01, Land Easement Practical Expedient for Transition to Topic 842; ASU 2018-10, Codification Improvements to Topic 842, Leases; ASU 2018-11, Leases (Topic 842): Targeted Improvements; ASU 2018-20, Narrow-scope Improvements for Lessors; and ASU 2019-01, Leases (Topic 842): Codification Improvements. The most significant change in the new leasing guidance is the requirement to recognize right-to-use (ROU) assets and lease liabilities for operating leases on the balance sheet.

Note 1 – Summary of Significant Accounting Policies (continued)

CAS adopted FASB ASC 842, *Leases*, effective October 1, 2022 and utilized the effective method practical expedient under the transition guidance. The adoption had a material impact on the statement of financial position but did not have a material impact on the statement of activities. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases. Adoption of the standard required recognition of operating lease ROU assets of $275,853, lease expense of $857, and lease liabilities of $276,710.

CAS elected to utilize the effective date method practical expedient. This requires the presentation of the prior year future minimum lease payment schedule under FASB ASC 840-20-50-2 (Note 9) and the current year lease payment schedule under FASB ASC 842 (Note 8) for lessee's presenting comparative financial statements.

Leases – CAS leases office spaces in Huntsville, Montgomery, and Mobile and residential housing for program participants. The determination of whether an arrangement is a lease is made at the lease's inception. Under FASB ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from the use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating leases are included in assets as right-of-use ("ROU") asset and in the liabilities as a ROU liability in the combined statement of financial position. Finance leases are included in property and equipment and liabilities in the combined statement of financial position. Leases with an initial term of 12 months or less are not recorded on the combined statement of financial position.

ROU assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. CAS uses the implicit rate when it is readily determinable. If CAS's leases do not provide an implicit rate to determine the present value of lease payments, management uses CAS's incremental borrowing rate based on the information available at lease commencement. Operating lease ROU assets also includes any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The CAS's lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise the option.

Certain of our office space lease agreements include provisions for variable rent payments, which are increased annually. None of our lease agreements contain any material residual value guarantees.

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Note 2 – Liquidity and Availability of Financial Assets

The following reflects CAS's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual restrictions within one year of the balance sheet date.

Total financial assets (1)	$ 8,111,055
Less those for restricted use	
Donor restricted funds	(371,803)
Financial assets available to meet cash needs for general expenditures within one year	$ 7,739,252

(1) – Total financial assets at year-end consists of cash and equivalents, investments, and total receivables.

Note 3 – Risks and Uncertainties

Financial instruments that potentially subject CAS to concentrations of credit risk consist primarily of cash and cash equivalent accounts in financial institutions. Cash and cash equivalents exceeding federally insured limits totaled $173,703 and $357,006 at September 30, 2023 and 2022, respectively.

Investment accounts are covered by the Securities Investor Protection Corporation (SIPC), up to $500,000. As of September 30, 2023 and 2022, the amount of unsecured investments totaled $6,638,607 and $5,991,617, respectively.

Note 4 – Property and Equipment

Depreciation of buildings and equipment is provided on a straight-line basis over the estimated useful lives of the assets. Property and equipment consisted of the following at September 30:

	2023	2022
Building and improvements	$ 2,487,016	2,487,017
Furniture and fixtures	505,885	461,268
Less: Accumulated depreciation	(1,267,682)	(1,155,320)
Property and Equipment, net	$ 1,725,219	$ 1,792,965

The total amount of depreciation for 2023 and 2022 was $111,851 and $133,873, respectively.

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Note 5 – Fair Value Measurements

FASB ASC 820-10-50 establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

- Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

- Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

All assets have been valued using a market approach, except for Level 3 assets. Level 3 assets are valued using the cost approach. Fair values for assets in Level 2 are calculated using quoted market prices for similar assets in markets that are not active. There were no changes in the valuations techniques during the current year.

The fair value of assets, measured on a recurring basis, was as follows:

		Fair Value Measurements at Reporting Date Using		
September 30, 2023	**Fair Value**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Cash and equivalents	$ 159,536	$ 159,536	$ -	$ -
Investments:				
Fixed income funds	2,791,706	2,791,706	-	-
Equities funds	4,187,065	4,187,065	-	-
Total	$ 7,138,307	$ 7,138,307	$ -	$ -
September 30, 2022				
Cash and equivalents	$ 598,307	$ 598,307	$ -	$ -
Investments:				
Fixed income funds	2,207,929	2,207,929	-	-
Equities funds	3,685,760	3,685,760	-	-
Total	$ 6,491,996	$ 6,491,996	$ -	$ -

Note 6 – Investments

Investments are stated at fair value, using Level 1 and 2 inputs, and are summarized as follows at:

September 30, 2023

	Cost or Amortized Cost	Carrying Value	Unrealized Appreciation (Depreciation)
Cash	$ 159,536	$ 159,536	$ -
U.S. Equities	2,045,238	2,855,562	810,325
International Equities	1,302,478	1,331,502	29,024
Fixed Income	3,081,598	2,791,706	(289,892)
Total Investments at Fair Value	$ 6,588,850	$ 7,138,307	$ 549,457

September 30, 2022

	Cost or Amortized Cost	Carrying Value	Unrealized Appreciation (Depreciation)
Cash	$ 598,307	$ 598,307	$ -
U.S. Equities	2,053,160	2,501,091	447,931
International Equities	1,357,866	1,184,669	(173,197)
Fixed Income	2,494,949	2,207,929	(287,020)
Total Investments at Fair Value	$ 6,504,282	$ 6,491,996	$ (12,286)

All assets have been valued using a market approach.

Investment income as for September 30:

	2023	2022
Interest and dividends	$ 239,054	$ 157,867
Realized gain	48,729	94,182
Unrealized gain/(loss)	561,586	(1,414,659)
Investment expenses	(25,469)	(28,022)
Total Net Investment Income	$ 823,900	$ (1,190,632)

Note 7 – Promises to Give

Unconditional promises to give at September 30, were as follows:

	2023	2022
Receivables in less than one year	$ 8,870	$ 11,605
Receivables in one to five years	-	-
Total Unconditional Promises to Give	8,870	11,605
Less: Discounts to net present value	-	-
Total	$ 8,870	$ 11,605

Promises to give receivable in more than one year are discounted at 1.035%.

Note 8 – Leasing Activities

CAS has operating leases for office space and for residential housing for program participants. The Organization assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of 12 months or less are not recorded on the statement of financial position. Lease expense is recognized for these leases on a straight-line basis over the lease term.

The operating leases for office space have lease periods ranging between 2-3 years. There is no language providing a period of extension for these leases in the lease contracts. The residential apartment complex housing operating leases have lease periods of one year with automatic renewal options for a period not to exceed 5 years per the lease contracts.

There is no implicit discount rate provided in any of the lease contracts. CAS has therefore utilized a risk-free rate as the discount rate in the recording the right-of-use asset and related liability.

Maturities of operating leases as of September 30, 2023 are as follows:

	Office Space	Residential Apartments	Total
2024	$ 57,354	$ 43,284	$ 100,638
2025	52,032	43,284	95,316
2026	13,300	43,284	56,584
2027	-	43,284	43,284
2028	-	-	-
Thereafter	-	-	-
Less: Amounts representing interest	(5,536)	(13,576)	(19,112)
Present value of lease liabilities	$ 117,150	$ 159,560	$ 276,710

Additional information about CAS's leases is as follows:

Weighted Average Remaining Lease Term		
Operating leases		3.24
Weighted Average Discount Rate		
Operating leases		4.38%
Lease Costs		
Operating lease costs included in program service expense	$	74,270
Other Information		
Cash paid for amounts in measuring operating lease liabilities:		
Operating cash flows from operating leases	$	73,413
Leased assets obtained in exchange for lease obligations		
Operating leases	$	350,123

Note 9 – Operating Leases (for the year ended September 30, 2022)

CAS rents office space and equipment under operating leases expiring in various years through 2023. Future minimum lease payments for the years ended September 30:

2023	$ 15,380
Total	$ 15,380

Note 10 – Retirement Contribution Plan

Beginning April 1, 1995, CAS sponsored a defined contribution plan that covered all eligible employees at retirement based on years of service and compensation. For the years ended September 30, 2023 and 2022, total agency contributions amounted to $156,272 and $185,087, respectively.

Note 11 – Net Assets With Donor Restrictions

Net assets with donor restrictions totaled $371,803 and $348,720 at September 30, 2023 and 2022, respectively. The amounts in 2023 and 2022 were restricted for unconditional promises to give and other programs.

Note 12 – Subsequent Events

CAS's management has evaluated subsequent events through January 11, 2024, the date the financial statements were available to be issued.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Children's Aid Society of Alabama

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Children's Aid Society of Alabama (CAS), a nonprofit organization, which comprise the combined statement of financial position as of CAS, as of and for the year ended September 30, 2023, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 11, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered CAS's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CAS's internal control. Accordingly, we do not express an opinion on the effectiveness of CAS's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CAS's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose



Borland Benefield, P.C.
Birmingham, Alabama
January 11, 2024

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Children's Aid Society of Alabama

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Children's Aid Society of Alabama's (CAS) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of CAS's major federal programs for the year ended September 30, 2023. The CAS's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the CAS complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of CAS and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of CAS's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the CAS's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on CAS's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the CAS's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the CAS's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the CAS's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the CAS's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Borland Benefield P.C.

Borland Benefield, P.C.
Birmingham, Alabama
January 11, 2024

CHILDREN'S AID SOCIETY OF ALABAMA

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2023

Federal Grantor/ Pass-through Grantor Program Title	Assistance Listing Number (ALN)	Pass-Through Grantor Number	Federal Expenditures
U.S. Department of Health and Human Services			
Promoting Safe and Stable Families			
Passed Through the AL Dept of Human Resources			
Alabama Pre/Post Adoption Connections (APAC)	93.556	C150164538	$ 1,710,521
Passed Through the AL Dept of Human Resources			
Family Partners (IIHS)	93.556	C170165001	579,178
Sub-total			2,289,699
Passed Through the AL Dept of Human Resources			
Independent Living Conference & Camps	93.674	C150164517	553,109
Passed Through the AL Dept of Child Abuse & Neglect Prevention			
Effective Parenting Instruction Course (EPIC)	93.669	CBCAP 2023-605	80,000
Transitional Living for Homeless Youth	93.550		214,113
Total U.S. Department of Health and Human Services			$ 3,136,921
Total			$ 3,136,921

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of the Children's Aid Society of Alabama under programs of the federal government for the year ended September 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Children's Aid Society of Alabama, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Children's Aid Society of Alabama.

Note B – Summary of Significant Accounting Policies

(1) Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Children's Aid Society of Alabama has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

CHILDREN'S AID SOCIETY OF ALABAMA

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	____ yes	X no
Significant deficiency(s) identified that are not considered to be material weaknesses?	____ yes	X no
Noncompliance material to financial statements noted?	____ yes	X no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	____ yes	X no
Significant deficiency(s) identified that are not considered to be material weaknesses?	____ yes	X no
Type of auditor's report issued on compliance for major programs:	unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) of the Uniform Guidance?	____ yes	X no
Identification of major programs:		
U.S. Department of Health and Human Services ALN #93.556 - Promoting Safe and Stable Families		
Dollar threshold used to distinguish between Type A and Type B programs:	$750,000	
Auditee qualified as low-risk auditee?	X yes	____ no

Section II - Financial Statement Findings

None Reported

Section III - Federal Award Findings and Questioned Costs

None Reported

Section IV - Prior Year Findings

Findings - Financial Statements Audit

None Reported

Findings and Questioned Costs - Major Federal Award Programs Audit

None Reported

CHILDREN'S AID SOCIETY OF ALABAMA & CHILDREN'S AID FOUNDATION

Combining Statement of Financial Position
As of September 30, 2023

	Children's Aid Society	Children's Aid Foundation	Eliminations	Total
Assets				
Cash and cash equivalents	$ 372,531	$ 265,232	$ -	$ 637,763
Investments, at fair value	-	6,978,772	-	6,978,772
Receivables				
Grants receivable	485,650	-	-	485,650
Unconditional promises to give, net	8,870	-	-	8,870
Prepaid expenses	10,360	-	-	10,360
Other assets	9,259	-	-	9,259
Property and equipment, net	1,725,219	-	-	1,725,219
Operating lease right-of-use assets, net	275,853	-	-	275,853
Total Assets	$ 2,887,742	$ 7,244,004	$ -	$ 10,131,746
Liabilities and Net Assets				
Liabilities				
Accounts payable	$ 27,022	$ -	$ -	$ 27,022
Accrued payroll and payroll taxes	291,896	-	-	291,896
Refundable deposit	788	-	-	788
Lease liabilities	276,710	-	-	276,710
Total Liabilities	596,416	-	-	596,416
Net Assets				
Without donor restrictions	1,919,523	7,244,004	-	9,163,527
With donor restrictions	371,803	-	-	371,803
Total Net Assets	2,291,326	7,244,004	-	9,535,330
Total Liabilities and Net Assets	$ 2,887,742	$ 7,244,004	$ -	$ 10,131,746

CHILDREN'S AID SOCIETY OF ALABAMA & CHILDREN'S AID FOUNDATION

Combining Statement of Financial Position
As of September 30, 2022

	Children's Aid Society	Children's Aid Foundation	Eliminations	Total
Assets				
Cash and cash equivalents	$ 636,839	$ 690,303	$ -	$ 1,327,142
Investments, at fair value	-	5,893,689	-	5,893,689
Receivables				
Grants receivable	477,195	-	-	477,195
Unconditional promises to give, net	11,605	-	-	11,605
Prepaid expenses	37,625	-	-	37,625
Other assets	9,918	-	-	9,918
Property and equipment, net	1,792,965	-	-	1,792,965
Total Assets	$ 2,966,147	$ 6,583,992	$ -	$ 9,550,139
Liabilities and Net Assets				
Liabilities				
Accounts payable	$ 54,655	$ -	$ -	$ 54,655
Accrued payroll and payroll taxes	325,014	-	-	325,014
Refundable deposit	788	-	-	788
Total Liabilities	380,457	-	-	380,457
Net Assets				
Without donor restrictions	2,236,970	6,583,992	-	8,820,962
With donor restrictions	348,720	-	-	348,720
Total Net Assets	2,585,690	6,583,992	-	9,169,682
Total Liabilities and Net Assets	$ 2,966,147	$ 6,583,992	$ -	$ 9,550,139

CHILDREN'S AID SOCIETY OF ALABAMA & CHILDREN'S AID FOUNDATION

Combining Statement of Activities
For the Year Ended September 30, 2023

	Children's Aid Society	Children's Aid Foundation	Eliminations	Total
Net Assets Without Donor Restrictions				
Revenue and Support				
United Way allocation	$ 812,782	$ -	$ -	$ 812,782
Contributions and memorials	163,622	16,373	-	179,995
Investment income, net	10,261	813,639	-	823,900
Other	198,836	-	(170,000)	28,836
Event income	12,608	-	-	12,608
Restrictions released by payments	3,275,658	-	-	3,275,658
Total Revenue and Support	4,473,767	830,012	(170,000)	5,133,779
Expenses				
Program Services				
APAC	2,394,362	-	-	2,394,362
Family partners	714,756	-	-	714,756
Independent living camps and conferences	705,372	-	-	705,372
Project independence	392,029	-	-	392,029
Prevention services	90,985	-	-	90,985
CTSP	61,950	-	-	61,950
Supporting services				
Development	36,033	-	-	36,033
Management and general	395,727	170,000	(170,000)	395,727
Total Expenses	4,791,214	170,000	(170,000)	4,791,214
Net Assets Without Donor Restrictions	(317,447)	660,012	-	342,565
Net Assets With Donor Restrictions				
Revenue and Support				
Grant revenue	3,216,921	-	-	3,216,921
Contributions and memorials	73,550	-	-	73,550
Program service fees	8,270	-	-	8,270
Total Revenue and Support	3,298,741	-	-	3,298,741
Restrictions released by payments	(3,275,658)	-	-	(3,275,658)
Net Assets With Donor Restrictions	23,083	-	-	23,083
Change in Net Assets	(294,364)	660,012	-	365,648
Net Assets, Beginning of Year	2,585,690	6,583,992	-	9,169,682
Intercompany Transfers	-	-	-	-
Net Assets, End of Year	$ 2,291,326	$ 7,244,004	$ -	$ 9,535,330

CHILDREN'S AID SOCIETY OF ALABAMA & CHILDREN'S AID FOUNDATION

Combining Statement of Activities
For the Year Ended September 30, 2022

	Children's Aid Society	Children's Aid Foundation	Eliminations	Total
Net Assets Without Donor Restrictions				
Revenue and Support				
United Way allocation	$ 800,389	$ -	$ -	$ 800,389
Contributions and memorials	104,845	61,000	-	165,845
Investment income, net	328	(1,190,960)	-	(1,190,632)
Other	246,138	-	(205,171)	40,967
Event income	1,020	-	-	1,020
Restrictions released by payments	3,098,430	-	-	3,098,430
Total Revenue and Support	4,251,150	(1,129,960)	(205,171)	2,916,019
Expenses				
Program Services				
APAC	2,173,571	-	-	2,173,571
Family partners	695,128	-	-	695,128
Independent living camps and conferences	781,105	-	-	781,105
Project independence	369,957	-	-	369,957
Prevention services	107,485	-	-	107,485
CTSP	6,433	-	-	6,433
Supporting services				
Development	69,671	-	-	69,671
Management and general	287,144	205,171	(205,171)	287,144
Total Expenses	4,490,494	205,171	(205,171)	4,490,494
Net Assets Without Donor Restrictions	(239,344)	(1,335,131)	-	(1,574,475)
Net Assets With Donor Restrictions				
Revenue and Support				
Grant revenue	2,939,298	-	-	2,939,298
Contributions and memorials	130,828	-	-	130,828
Program service fees	5,221	-	-	5,221
Total Revenue and Support	3,075,347	-	-	3,075,347
Restrictions released by payments	(3,098,430)	-	-	(3,098,430)
Net Assets With Donor Restrictions	(23,083)	-	-	(23,083)
Change in Net Assets	(262,427)	(1,335,131)	-	(1,597,558)
Net Assets, Beginning of Year	2,848,117	7,919,123	-	10,767,240
Intercompany Transfers	-	-	-	-
Net Assets, End of Year	$ 2,585,690	$ 6,583,992	$ -	$ 9,169,682