

**BRIGHTSIDE CHILD AND FAMILY ADVOCACY, INC.  
SAVANNAH, GEORGIA**

**Financial Statements  
for the Year Ended  
September 30, 2022**

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**AUDIT REPORT**

\*

**June 8, 2023**

**BRIGHTSIDE CHILD AND FAMILY ADVOCACY, INC.**  
**YEAR ENDED SEPTEMBER 30, 2022**

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To the Board of Directors  
Brightside Child and Family Advocacy, Inc.  
Savannah, Georgia

We have audited the accompanying financial statements of Brightside Child and Family Advocacy, Inc. (a nonprofit organization) which comprise the statement of financial position as of September 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Brightside Child and Family Advocacy, Inc. as of September 30, 2022, 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.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Brightside Child and Family Advocacy, Inc. 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 opinion.

***Responsibilities of Management 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.

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 Brightside Child and Family Advocacy, Inc.'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 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, including omissions, 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, 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 Brightside Child and Family Advocacy, Inc.'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 Brightside Child and Family Advocacy, Inc.'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.

*Canady, Richbourg & Associates, LLP*

June 8, 2023

**BRIGHTSIDE CHILD AND FAMILY ADVOCACY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2022**

**ASSETS**

**Current assets**

Cash and cash equivalents	347,367
Accounts receivable - grants	170,464
Security deposits	3,295
Prepaid expenses	6,790
<b>Total current assets</b>	<b><u>527,916</u></b>

**Property and equipment**

Furniture and equipment	29,406
Automobile	16,026
Less - accumulated depreciation	6,407
<b>Total property and equipment</b>	<b><u>39,025</u></b>

<b>Total Assets</b>	<b><u>566,941</u></b>
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**LIABILITIES**

**Current liabilities**

Accounts payable	10,119
Credit card payable	6,651
Accrued payroll and payroll taxes	24,185
<b>Total current liabilities</b>	<b><u>40,955</u></b>

**NET ASSETS**

Without donor restrictions	525,986
With donor restrictions	-
<b>Total net assets</b>	<b><u>525,986</u></b>

<b>Total Liabilities and Net Assets</b>	<b><u>566,941</u></b>
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The accompanying notes are an integral part of these financial statements

**BRIGHTSIDE CHILD AND FAMILY ADVOCACY, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED SEPTEMBER 30, 2022**

**Change in Net Assets Without Donor Restrictions:**

**Support and Other Revenue**

Contributions	191,784
Grants and government funding	516,309
Special events (less direct costs of \$59,203)	214,041
In-kind contributions	21,526
Interest income	20
Loss on fixed asset disposal	(669)
<b>Total support and other revenue</b>	<u>943,011</u>

**Expenses**

Program services	708,645
Supporting services:	
Management and general	168,188
Fundraising	62,989
<b>Total expenses</b>	<u>939,822</u>

**Increase in net assets** 3,189

**Net assets at beginning of year** 522,797

**Net assets at end of year** 525,986

The accompanying notes are an integral part of these financial statements

**BRIGHTSIDE CHILD AND FAMILY ADVOCACY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED SEPTEMBER 30, 2022**

	<u>Supporting Services</u>			<u>Total Supporting Services</u>	<u>Total Functional Expenses</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>		
Salaries and wages	526,058	128,002	53,571	181,573	707,631
Activities and gifts	21,568	-	-	-	21,568
Advertising	3,317	-	4,610	4,610	7,927
Bank charges and credit card fees	-	2,986	-	2,986	2,986
Conferences	19,960	-	-	-	19,960
Dues and subscriptions	-	2,444	-	2,444	2,444
Equipment rental	4,910	-	-	-	4,910
Insurance	6,237	2,555	-	2,555	8,792
Miscellaneous expenses	1,247	-	-	-	1,247
Occupancy	14,703	3,578	1,497	5,075	19,778
Payroll services	-	1,295	-	1,295	1,295
Postage	-	3,384	1,128	4,512	4,512
Professional development	20,210	-	-	-	20,210
Professional fees	-	16,192	-	16,192	16,192
Supplies	20,986	-	-	-	20,986
Technology	12,339	4,113	-	4,113	16,452
Telephone	8,733	3,639	2,183	5,822	14,555
Training	25,900	-	-	-	25,900
Travel and meetings	19,293	-	-	-	19,293
<b>Total before depreciation</b>	<b>705,461</b>	<b>168,188</b>	<b>62,989</b>	<b>231,177</b>	<b>936,638</b>
Depreciation	3,184	-	-	-	3,184
<b>Total functional expenses</b>	<b>708,645</b>	<b>168,188</b>	<b>62,989</b>	<b>231,177</b>	<b>939,822</b>

The accompanying notes are an integral part of these financial statements

**BRIGHTSIDE CHILD AND FAMILY ADVOCACY, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED SEPTEMBER 30, 2022**

<b>Cash flows from (for) operating activities</b>	
Change in net assets	3,189
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	3,184
Loss on disposal of fixed assets	669
In-kind fixed asset donation	(16,026)
Net change in operating assets and liabilities:	
Accounts receivable - grants	(20,605)
Security deposits	(3,295)
Prepaid expenses	546
Accounts payable	8,469
Credit card payable	(3,769)
Deferred income	(2,250)
Accrued payroll and payroll taxes	(11,091)
<b>Net cash for operating activities</b>	<u>(40,979)</u>
<b>Cash flows for investing activities</b>	
Fixed asset purchases	(23,348)
<b>Net cash for investing activities</b>	<u>(23,348)</u>
<b>Net decrease in cash and cash equivalents</b>	(64,327)
<b>Beginning cash and cash equivalents</b>	<u>411,694</u>
<b>Ending cash and cash equivalents</b>	<u><u>347,367</u></u>
<b>Supplemental cash flow information</b>	
Interest paid	<u><u>-</u></u>
Income taxes paid	<u><u>-</u></u>
Contributed fixed asset	<u><u>16,026</u></u>

The accompanying notes are an integral part of these financial statements



**BRIGHTSIDE CHILD AND FAMILY ADVOCACY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 1 – Nature of Activities**

Brightside Child and Family Advocacy, Inc. (the Organization), formerly known as Savannah/Chatham County Court Appointed Special Advocates, Inc. was incorporated in 1993 by the State of Georgia as a nonprofit organization. The Organization's mission is to provide services to prevent child abuse and neglect by strengthening and supporting healthy family relationships. The Organization recruits and trains volunteers to advocate for the best interests of children who have experienced abuse and neglect. The 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.

**BRIGHTSIDE CHILD AND FAMILY ADVOCACY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**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 September 30, 2022, the Organization's uninsured cash balance totaled \$97,367.

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, provided such cost exceeds \$1,000 and the purchase benefits more than more year. Donated property and equipment are stated 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 three to ten years.

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

In-Kind Contributions – Donated items, in-kind contributions, are reflected as contributions at their estimated fair value at date of donation. The Organization reports gifts of property and other non-monetary contributions as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how and how long the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as donor-restricted support.

Absent explicit donor stipulations about how long those long-lived assets must be maintained, The Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

For the year ending September 30, 2022, the Organization received \$21,526 of in-kind contributions, which consisted of a used van and local media advertising.

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 September 30, 2022, the tax years that remain subject to examination by taxing authorities begin with 2019. Management believes that all positions taken in those years would be sustained should those years be examined.

**BRIGHTSIDE CHILD AND FAMILY ADVOCACY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 3 – Recent Accounting Pronouncement**

In September 2020, the FASB issued ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958), which is effective for fiscal years beginning after June 15, 2021, and is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit organizations. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, along with expanded disclosure requirements. Management does not expect this ASU to have a significant impact on the Organization’s financial statements.

**Note 4 – 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	347,367
Accounts receivable - grants	<u>170,464</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>517,831</u>

**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 – Operating Leases**

The Organization leases space at two locations as well as office equipment. Rent expense and lease expense for office equipment totaled \$15,089 and \$1,875, respectively, for the year ended September 30, 2022.

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

2023	41,565
2024	31,665
2025	28,215
2026	26,653
Thereafter	<u>21,950</u>
	<u>150,048</u>

**BRIGHTSIDE CHILD AND FAMILY ADVOCACY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 7 – 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 8 – 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 9 – 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 10 – 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 \$16,787 for the year ended September 30, 2022.

**Note 11 – Subsequent Events**

Management has evaluated subsequent events through June 8, 2023, the date the financial statements were available to be issued.