

BRIGHTSIDE CHILD AND FAMILY ADVOCACY, INC.

FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2023 AND 2022

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Brightside Child and Family Advocacy, Inc., (a Georgia not for profit corporation), which comprise the statement of financial position as of September 30, 2023, and the related statements of activities, functional expense, 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, 2023 and the results of its operations 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.

Prior Period Financial Statements

The financial statements of Brightside Child and Family Advocacy, Inc. as of September 30, 2022 were audited by other auditors whose report dated June 8, 2023 expressed an unmodified opinion on those statements.

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 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 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.

Coomer, Coomer & Routhier, P.C.

Coomer, Coomer & Routhier, P.C.

Savannah, Georgia

February 6, 2024

BRIGHTSIDE CHILD AND FAMILY ADVOCACY, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 168,376	\$ 347,367
Grants receivable	237,648	182,904
Other receivable	2,096	3,295
Prepaid expense	8,085	6,790
Total current assets	416,205	540,356
PROPERTY AND EQUIPMENT, NET	32,029	39,025
OTHER ASSET - RIGHT OF USE LEASE ASSETS, NET	110,722	-
TOTAL ASSETS	\$ 558,956	\$ 579,381
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 825	\$ 10,119
Accrued expenses and other liabilities	6,790	24,185
Credit card payable	8,068	6,651
Right of use lease liabilities - current portion	32,271	-
Total current liabilities	47,954	40,955
LONG-TERM LIABILITIES		
Right of use lease liabilities - net of current portion	79,035	-
Total long-term liabilities	79,035	-
TOTAL LIABILITIES	126,989	40,955
NET ASSETS		
Without donor restrictions	425,798	538,426
With donor restrictions	6,169	-
Total net assets	431,967	538,426
TOTAL LIABILITIES AND NET ASSETS	\$ 558,956	\$ 579,381

See Independent Auditor's Report

BRIGHTSIDE CHILD AND FAMILY ADVOCACY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2023 (With Summarized Comparative Totals for 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
REVENUES AND SUPPORT				
Contributions	\$ 245,946	\$ 9,655	\$ 255,601	\$ 191,784
Fundraising events, net	145,249	-	145,249	214,041
Grants and government funding	528,455	-	528,455	516,309
In-kind contributions	18,000	-	18,000	21,526
Other	2,481	-	2,481	(649)
Total Revenue	<u>940,131</u>	<u>9,655</u>	<u>949,786</u>	<u>943,011</u>
NET ASSETS RELAEASED FROM RESTRICTIONS				
Satisfaction of program restrictions	<u>4,866</u>	<u>(4,866)</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES AND SUPPORT	944,997	4,789	949,786	943,011
EXPENSES				
Program services	801,448	-	801,448	708,645
Support services	164,600	-	164,600	168,188
Fundraising expenses	90,197	-	90,197	62,989
TOTAL EXPENSES	<u>1,056,245</u>	<u>-</u>	<u>1,056,245</u>	<u>939,822</u>
CHANGE IN NET ASSETS	<u>(111,248)</u>	<u>4,789</u>	<u>(106,459)</u>	<u>3,189</u>
NET ASSETS - BEGINNING OF YEAR	538,426	-	538,426	522,797
Prior period adjustment, see note 8	-	-	-	12,440
Reclassification, see note 8	<u>(1,380)</u>	<u>1,380</u>	<u>-</u>	<u>-</u>
NET ASSETS - BEGINNING OF YEAR, AS RESTATED	<u>537,046</u>	<u>1,380</u>	<u>538,426</u>	<u>535,237</u>
NET ASSETS - END OF YEAR	<u>\$ 425,798</u>	<u>\$ 6,169</u>	<u>\$ 431,967</u>	<u>\$ 538,426</u>

See Independent Auditor's Report

BRIGHTSIDE CHILD AND FAMILY ADVOCACY, INC.
STATEMENT OF FUNCTIONAL EXPENSE
YEAR ENDED SEPTEMBER 30, 2023
(With Summarized Comparative Totals for 2022)

	Program Services	Support Services	Fundraising Expenses	2023 Total	2022 Total
Activities and gifts	\$ 384	\$ -	\$ -	\$ 384	\$ 10,511
Advertising	2,116	-	1,000	3,116	7,927
Bad debt expense	15,927	-	-	15,927	-
Bank charges and credit card fees	-	1,937	-	1,937	2,986
Conferences	19,179	-	-	19,179	19,960
Depreciation	6,996	-	-	6,996	3,184
Direct assistance to clients	15,828	-	-	15,828	11,057
Dues and subscriptions	-	1,498	-	1,498	2,444
Equipment rental	5,381	-	-	5,381	4,910
Insurance	9,733	2,433	-	12,166	8,792
Miscellaneous	1,699	-	-	1,699	1,247
Occupancy	40,939	8,189	2,046	51,174	19,778
Payroll fees	-	1,420	-	1,420	1,295
Postage	-	1,209	403	1,612	4,512
Professional development	8,150	-	-	8,150	20,210
Professional fees	-	23,074	12,500	35,574	16,192
Salaries and benefits	594,009	117,969	66,857	778,835	707,631
Supplies	12,200	-	5,000	17,200	20,986
Technology	8,659	2,886	-	11,545	16,452
Telephone	9,564	3,985	2,391	15,940	14,555
Training	29,883	-	-	29,883	25,900
Travel and meetings	20,801	-	-	20,801	19,293
	<u>\$ 801,448</u>	<u>\$ 164,600</u>	<u>\$ 90,197</u>	<u>\$ 1,056,245</u>	<u>\$ 939,822</u>

See Independent Auditor's Report

BRIGHTSIDE CHILD AND FAMILY ADVOCACY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (106,459)	\$ 3,189
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Depreciation	6,996	3,184
Discount amortization	584	-
Loss on disposal of assets	-	669
In-kind fixed asset donation	-	(16,026)
Receivables	(53,545)	(20,605)
Security deposits	-	(3,295)
Prepaid expenses	(1,295)	546
Accounts payable	(9,294)	8,469
Credit card payable	1,417	(3,769)
Accrued expenses and other liabilities	(17,395)	(11,091)
Deferred income	-	(2,250)
Net cash provided (used) by operating activities	(178,991)	(40,979)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-	(23,348)
Net cash provided (used) by investing activities	-	(23,348)
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	(178,991)	(64,327)
 CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		
	347,367	411,694
 CASH AND CASH EQUIVALENTS - END OF YEAR OF YEAR		
	\$ 168,376	\$ 347,367
 SUPPLEMENTAL CASH FLOW INFORMATION		
Right of use assets	\$ 110,722	\$ -
In-kind contributions	\$ 18,000	\$ 16,026

See Independent Auditor's Report

BRIGHTSIDE CHILD AND FAMILY ADVOCACY, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023 AND 2022

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – 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. Activities of the Organization are financed by government and private grants and by contributions from other organizations and individuals.

Income Taxes – The Organization is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code. Therefore, no provision for federal or state income taxes has been made on these financial statements.

Basis of Accounting – The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

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 remain permanently.

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 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.

Cash and Cash Equivalents – Cash and cash equivalents include all cash balances and all highly liquid investments with an initial maturity of three months or less.

Receivables – Receivables consist principally of amounts due from grantor agencies for reimbursable costs. Management considers all remaining grants receivable at September 31, 2023 to be fully collectible. Accordingly, no allowance for doubtful accounts is considered necessary.

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

Property and Equipment – Property and equipment are stated at acquisition cost, or if donated, at the approximate fair value at the date of donation if the asset has a useful life of three years or more and a value that exceeds \$1,000. Property and Equipment purchased with grant funds follow the grantor’s required capitalization policy. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets which range from five to seven years.

BRIGHTSIDE CHILD AND FAMILY ADVOCACY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted and Unrestricted Support – 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 until the restriction is satisfied.

Comparative and Summarized Financial Information – The financial statements include certain prior year comparative and summarized financial information. Such information does not include enough detail to constitute a complete comparative presentation under generally accepted accounting principles. Certain amounts in the prior year’s financial statements have been summarized and reclassified to conform to the current year’s presentation.

In-Kind Contributions – Contributed goods and services are recognized as contribution revenue if the amounts received create or enhance long-lived assets or require specialized skills and would typically need to be purchased if not provided by donation. Donated assets are either utilized within the various programs, or monetized if there is not a foreseeable need or use for the item. In-kind contributions are recorded separately on the statement of activities.

NOTE 2 – NEW ACCOUNTING PRONOUNCEMENT

In February 2016, FASB issued ASU 2016-02, *Leases* (Topic 842), which requires the recognition of right of use lease assets and right of use lease liabilities on the statement of financial position for operating leases that meet certain criteria. This new reporting standard applies to leases with a lease term greater than twelve months. Leases with a lease term of twelve months or less will continue to be accounted for as equipment or property rental on the statement of activities. The Organization has adopted this standard for the fiscal year beginning October 1, 2022.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows:

	September 30	
	2023	2022
Property and Equipment	\$ 45,432	\$ 45,432
Less Accumulated Depreciation	(13,403)	(6,407)
	\$ 32,029	\$ 39,025

Depreciation expense for the years ended September 31, 2023 and 2022 was \$6,996 and \$3,184, respectively.

BRIGHTSIDE CHILD AND FAMILY ADVOCACY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 4 – LEASE COMMITMENTS AND OFFICE SPACE AGREEMENT

The Organization leases space at two locations as well as office equipment. The Organization has recorded right of use lease assets and liabilities for the leases whose terms extend beyond twelve months, at the net present value of the future minimum lease payments discounted at the incremental borrowing rate of 3%. The right of use asset is then amortized annually over the life of the lease and the discount rate is recorded as interest expense.

Future minimum payments under these leasing agreements are as follows:

For the Years Ending September 30:

2024	\$	32,271
2025		28,861
2026		27,841
2027		22,333
2028		-
	\$	<u>111,306</u>

The Organization also has a memorandum of understanding (MOU) with Chatham County Department of Family and Children Services (DFCS) whereby DFCS allows the Organization to utilize office space in their building in exchange for support services. The agreement terminated at the end of the fiscal year and is continuing under an optional renewal period of two years.

NOTE 5 – FUNCTIONAL ALLOCATION OF EXPENSES

The natural classification of expenses has been allocated according to their function as either a program expense, a support expense, or a fundraising expense on the accompanying statement of functional expense.

NOTE 6 – CONCENTRATIONS AND RISKS

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

The Organization maintains cash balances in one financial institution located in Savannah, Georgia. The FDIC insures balances of up to \$250,000 per depositor. Uninsured balances totaled \$97,400 as of September 30, 2022. There were no uninsured balances as of September 30, 2023.

BRIGHTSIDE CHILD AND FAMILY ADVOCACY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 7 – CONTRIBUTED GOODS AND SERVICES

The Organization utilizes trained volunteers to fulfill its program requirements. Volunteer hours are tracked for grant reporting purposes, but the value of these service hours is not recorded in the accounts of the Organization. Other contributed services are recorded in the accounts at fair market value if the services (a) create or enhance long-lived assets or (b) require specialized skills. The amount of contributed services meeting the qualifications for recognition totaled \$18,000 for the year ending September 31, 2023, and \$21,526 for the year ending September 31, 2022.

NOTE 8 – PRIOR PERIOD ADJUSTMENT AND RECLASSIFICATION OF RESTRICTED NET ASSETS

Previously reported net asset balances have been restated for a prior period adjustment to reclass \$12,440 in grant funding to the correct fiscal year per confirmation received from the grantor agency. Additionally, the Organization corrected a subsequently received grant payment of \$12,283 to be included in this fiscal year, so that the net effect on current year revenue is a decrease in reported grants and government funding of \$157. This adjustment is necessary so that current and future grant income will agree to the grantor agency's schedule of payments.

The beginning net asset balances have also been reclassified on the statement of activities to present the actual beginning balance of donor restricted funds of \$1,380 for scholarships from the prior year that were previously included in net assets without donor restrictions. The amount of restricted scholarship funds available at September 30, 2023 is \$6,169.

NOTE 9 – RETIREMENT PLAN

The Organization sponsors a Simple IRA plan which covers all employees meeting certain eligibility requirements. The Organization matches up to 3% of the compensation of participating employees. The cost of this plan was \$15,932 for the year ending September 30, 2023 and \$16,787 for the year ending September 30, 2022.

NOTE 10 – LIQUIDITY

Financial assets available to meet cash requirements for the next twelve months, that are without donor or other restrictions limiting their use, total \$395,837.

NOTE 11 – UNCERTAINTY IN INCOME TAXES

The Organization has not recognized any interest or penalties in its statement of activities that are related to any of its tax positions. Tax years 2020 through 2022 remain open for examination by taxing authorities.

BRIGHTSIDE CHILD AND FAMILY ADVOCACY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE 12 – MANAGEMENT’S REVIEW OF SUBSEQUENT EVENTS

Subsequent to year end, but prior to the issuance of these financial statements, the Organization submitted amended payroll tax returns to apply for Employee Retention Credit (ERC) funding. The ERC program allows for a per employee refundable tax credit, claimed quarterly, for qualified wages and health benefits paid to employees in 2020 and 2021. As of the date of this report, the Organization has not received notice of the acceptance of the amended returns or the requested funding. The Internal Revenue Service has issued a moratorium on processing ERC applications and uncertainty exists as to the status of pending applications; therefore, no receivable balance has been recorded in these financial statements at September 30, 2023.

Per Management’s review of subsequent events for the period October 1, 2023 through February 6, 2024, there are no other events that should be recognized in these financial statements or disclosed in the notes. February 6, 2024 is the issuance date of these financial statements.