



Children's Aid Society Southern Pennsylvania District – Church of the Brethren

Presented by:

Allyson Hornbaker, CPA | Partner, Audit Service Group

Emerson Eckrote III, CPA | Manager, Audit Service Group



Welcome and Meet Your Team



Allyson Hornbaker, CPA

Partner, Audit Services Group

Allyson, a Partner in RKL's Audit Services Group, delivers assurance and management advisory services to the senior living and nonprofit industries, including financial statement audits and assistance with government reimbursement and HUD-sponsored projects.



Emerson E. Eckrote III, CPA

Manager, Audit Services Group

Emerson, a Manager in RKL's Audit Services Group delivers assurance services to clients ranging from senior living facilities to not-for-profit organizations, with the goal of helping them manage risk, improve financial performance and streamline reporting processes.

Audit Communications

- Prepared in accordance with GAAP
- Audit Opinion - Unmodified
- No significant change in accounting policies
- No significant, unusual transactions
- All proposed adjustments to the financial statements were accepted and recorded by management
- No unrecorded audit differences

Audit Communications

- **No disagreements with management**
- **No consultations with other accountants**
- **No significant issues or difficulties performing the audit**
- **Other written communication**
 - Engagement letter
 - Planning letter
 - Representation letter

Significant Estimates

- **Accounts and Pledges Receivable**
 - Allowance for doubtful collections
 - Discount on pledges
- **Property and Equipment**
 - Useful lives & depreciation methods
- **Investments and Endowments**
 - Fair value measurements & impairment

Statement of Financial Position – Assets

	2023	2022	2021
Cash and cash equivalents	\$ 70,051	\$ 190,068	\$ 266,659
Certificates of deposit	1,982,434	1,304,073	1,199,457
Investments, unrestricted	683,280	646,929	576,892
Pledges and accounts receivable	1,019,265	122,464	203,246
Other current assets	4,597	4,597	4,597
Property and equipment, net	1,407,469	708,838	569,593
Beneficial interest in trusts	689,572	689,306	834,288
Endowment funds	748,208	692,734	757,774
Cash value of life insurance	<u>21,831</u>	<u>21,005</u>	<u>20,206</u>
TOTAL ASSETS	<u>\$ 6,626,707</u>	<u>\$ 4,380,014</u>	<u>\$ 4,432,712</u>

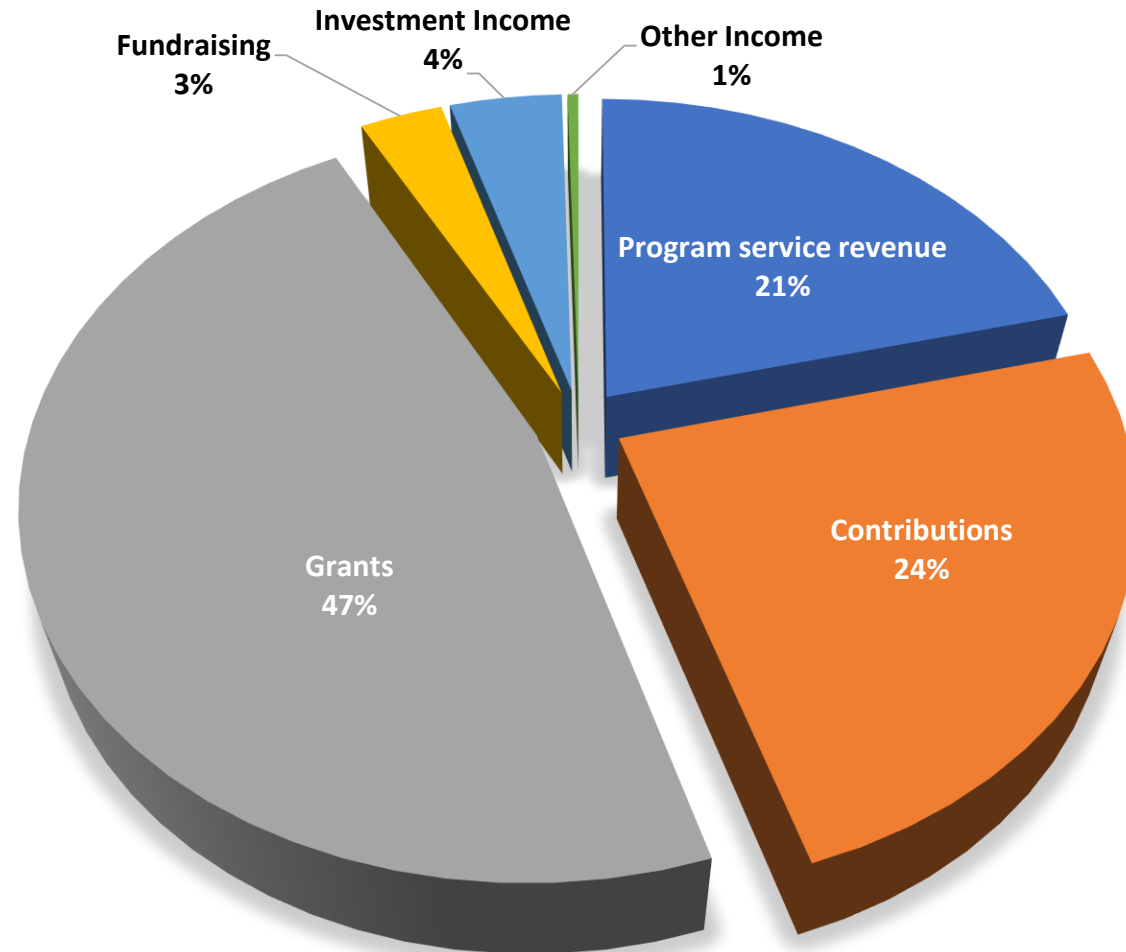
Statement of Financial Position – Liabilities & Net Assets

	2023	2022	2021
Accounts payable	\$ 36,313	\$ 37,515	\$ 75,045
Accrued expenses	67,968	57,038	62,613
Deferred revenue	11,516	12,709	1,670
Obligations under annuity agreements	6,345	6,547	6,894
PPP loan	-	-	234,480
Other liabilities	<u>-</u>	<u>4,670</u>	<u>4,669</u>
Total Liabilities	122,142	118,479	385,371
Net Assets without donor restrictions	2,227,970	1,660,425	1,495,960
Net Assets with donor restrictions	<u>4,276,595</u>	<u>2,601,110</u>	<u>2,551,381</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 6,626,707</u>	<u>\$ 4,380,014</u>	<u>\$ 4,432,712</u>

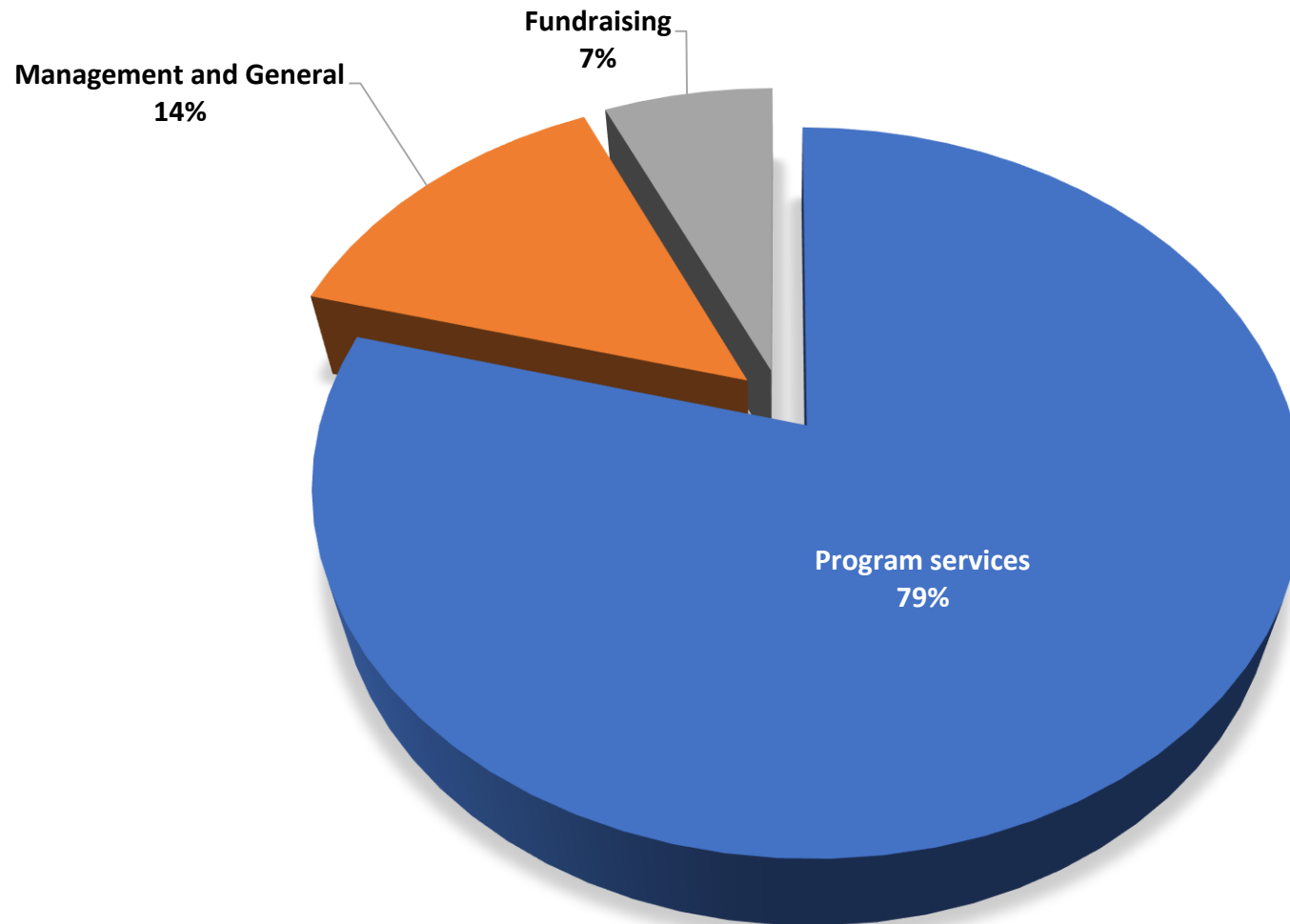
Statement of Activities

	2023	2022	2021
Program service revenue	\$ 783,658	\$ 746,972	\$ 782,122
Contributions and in-kind contributions	895,848	1,122,831	763,992
Grants	1,747,615	127,593	292,488
Fundraising, net of direct costs	117,013	99,067	122,202
Net investment income (loss)	158,929	(256,322)	447,761
PPP loan forgiveness	-	234,480	234,630
Other income	<u>15,292</u>	<u>4,554</u>	<u>10,657</u>
Total Revenues	<u>3,718,355</u>	<u>2,079,175</u>	<u>2,653,852</u>
Program services expenses	1,628,388	1,477,422	1,348,701
Management and general expenses	288,353	272,736	228,383
Fundraising expenses	<u>138,671</u>	<u>114,823</u>	<u>96,865</u>
Total Expenses	<u>2,055,412</u>	<u>1,864,981</u>	<u>1,673,949</u>
Change in Net Assets	1,662,943	214,194	979,903
Merger of Cornerstone Youth Home	<u>580,087</u>	<u>-</u>	<u>-</u>
Total Change in Net Assets	<u>\$ 2,243,030</u>	<u>\$ 214,194</u>	<u>\$ 979,903</u>

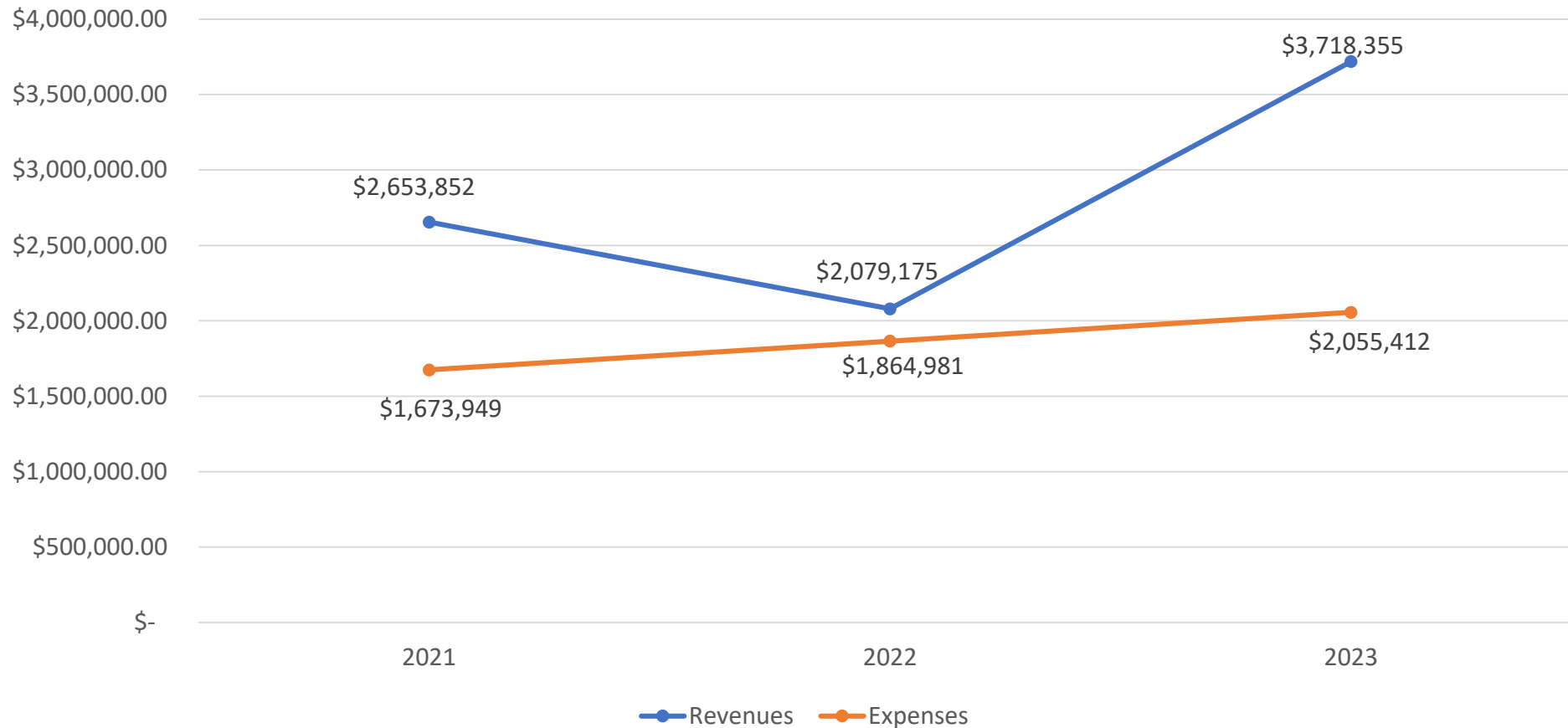
Operating Revenues - 2023



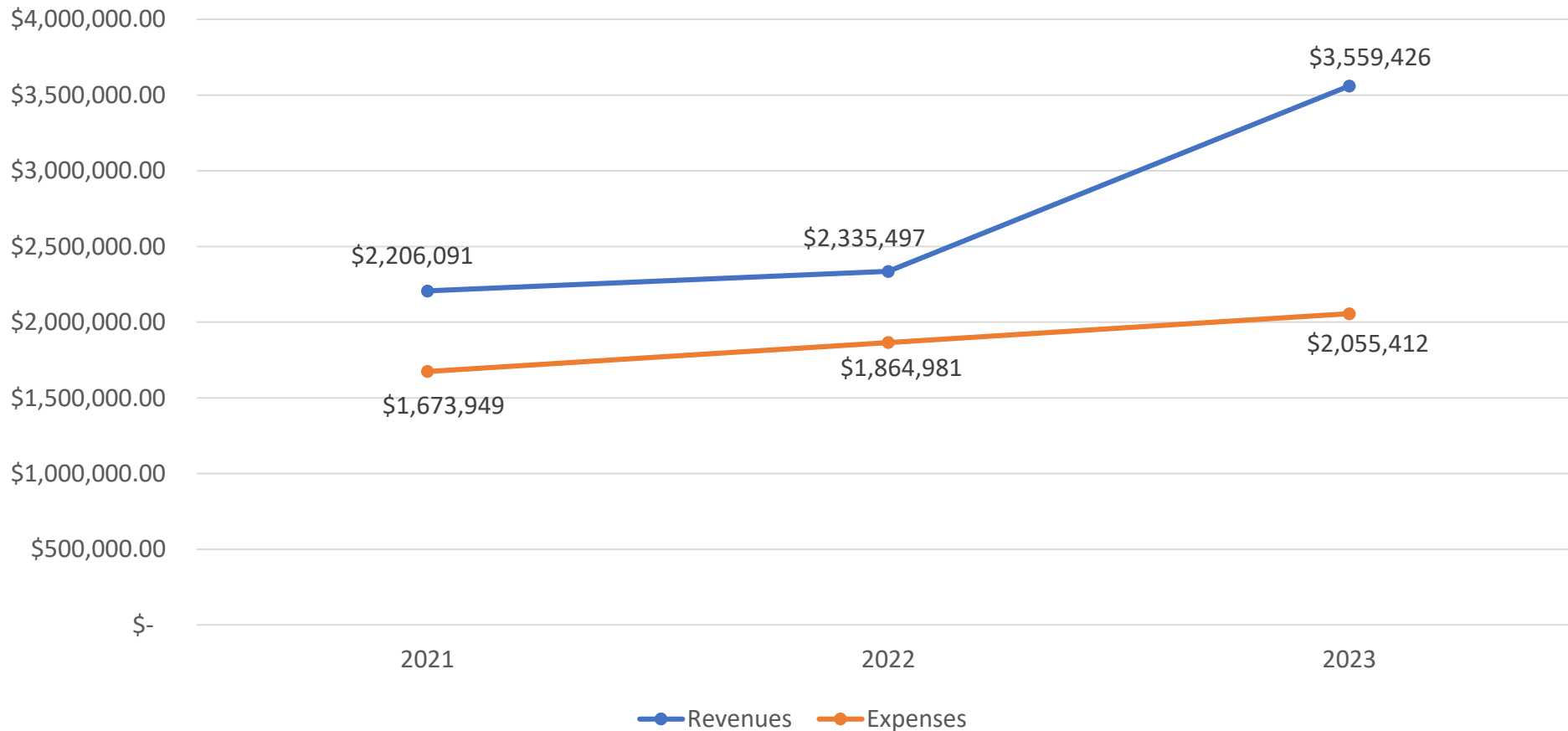
Operating Expenses - 2023



Revenues vs Expenses



Revenues vs Expenses Excluding Investment Earnings



Accounting & Reporting Update

Leases

- Effective year-end June 30, 2023**

*** FASB delayed this one year to FY2023 due to COVID-19*

- Essentially bringing all 'operating leases' on the statement of financial position
- Right-of-use asset & liability will approximate discounted/present value of contractual future payments
- No significant impact on the financial statements

Do You Have Questions?





Thank You for Joining Us

Whatever your next move, we're here to help.

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