

**Alcovy CASA, Inc**  
**Audited Financial Statements**  
**September 30, 2022**

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# James E. Warren, CPA, P.C.

Certified Public Accountants  
996 Green Street, SW  
Conyers, GA 30012

Phone (770) 922-4907

Fax (770)929-3168

Email [jimwarren@jimwarren-cpa.com](mailto:jimwarren@jimwarren-cpa.com)

Visit our web site at [www.jimwarren-cpa.com](http://www.jimwarren-cpa.com)

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Alcovy CASA, Inc  
Covington, Georgia

### **Opinion**

We have audited the accompanying statement of financial position of Alcovy CASA, Inc (a nonprofit Organization) as of September 30, 2022 and the related statement of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Alcovy CASA, Inc. as of September 30, 2022, and the results of its operations 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 (GAAS). 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 Alcovy CASA, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 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 Alcovy CASA, Inc.'s ability to continue as a going concern for subsequent years.

## **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 GAAS 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 Alcovy CASA, 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Alcovy CASA, Inc.'s ability to continue as a going concern for the 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.



Conyers, GA  
April 27, 2023

**ALCOVY CASA, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**September 30, 2022**

2022

ASSETS

Current Assets

Cash & Cash Equivalents	117,663
Grants Receivable	14,198
Total Current Assets	<u>131,861</u>

Fixed Assets

Equipment	5,500
Accumulated Depreciation	(5,500)
Total Fixed Assets	<u>0</u>

TOTAL ASSETS

131,861

LIABILITIES AND EQUITY

Liabilities	0
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Total Liabilities	<u>0</u>
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Net Assets

Net Assets without Donor Restrictions	131,861
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TOTAL LIABILITIES & NET ASSETS

131,861

See accountant's report and notes to financial statements

**ALCOVY CASA, INC.**  
**STATEMENT OF ACTIVITIES**  
**For The Year Ended September 30, 2022**

		2022
Grant Revenue	\$	193,132
Donations		99,639
Total Income		<u>292,771</u>
Program Expenses		
Salaries Costs & Benefits		109,761
Payroll Taxes		33,347
Postage, Printing and Copying		2,575
Supplies		36,302
Training and Continuing Education		14,013
Facilities and Equipment		4,993
Contract Services		1,783
Business Meals		2,610
Dues		595
Miscellaneous		12
Insurance		3,646
Travel and Meetings		7,266
Total Program Expenses		<u>216,903</u>
Management and General		
Salaries Cost & Benefits		40,189
Payroll Taxes		3,074
Accounting		995
Total Management and General Expenses		<u>44,258</u>
Total Expenses		<u>261,161</u>
Net Ordinary Income		31,610
Change in Net Assets		
Net Assets Beginning		100,251
Net Assets Ending	\$	<u>131,861</u>

See accountant's report and notes to financial statements

**ALCOVY CASA, INC.**  
**STATEMENT OF CASH FLOWS**  
**September 30, 2022**

2022

Cash flows from operating activities	
Net Income	\$ 31,610
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	0
(Increase) decrease in accounts receivable	22,484
Total adjustments	22,484
Net cash provided (used) by operating activities	54,094
Net increase (decrease) in cash and equivalents	54,094
Cash and equivalents, beginning of year	63,569
Cash and equivalents, end of year	\$ 117,663

See accountant's report and notes to financial statements

**ALCOVY CASA, INC**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Alcovy CASA, Inc (Alcovy) is a not-for-profit organization incorporated in 1988, under the laws of the state of Georgia. Alcovy advocates for 100% of the children taken into care by both the Newton and Walton counties Dept. of Family and Children Services. Alcovy trains community volunteers to advocate for the best interest of the children in juvenile court dependency proceedings.

**Basis of Accounting**

Alcovy prepares its financial statements in accordance with generally accepted accounting principles, which involve the application of accrual accounting. Consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Property & Equipment**

Maintenance, repairs and minor renewals are charged to operations as incurred. Major renewals and improvements substantially extending the useful life of the property are capitalized.

Property & equipment are recorded at cost and depreciated on a straight-line basis. The estimated lives are consistent with generally accepted accounting principles as follows:

Real Estate	39 years
Equipment	5 years
Furniture & Furnishings	7 years
Computers & Peripherals	5 years
Vehicles	5 years
Signage	20 years
Leasehold Improvements	39 years



**ALCOVY CASA, INC**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Financial Statement Presentation**

Financial Statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. The Organization has adopted the FASB's Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements of Non-for-Profit Entities. A description of the net asset categories is as follows:

Net Assets without Donor Restrictions have no donor-imposed restrictions.

Net Assets with Donor Restrictions have donor-imposed restrictions that will expire in the future. If the donor-imposed restrictions expire in the same period as the contribution, the contribution may be included in unrestricted net assets. There were no Net Assets with Donor Restrictions.

**Revenue Recognition** – Revenue is recognized at the amount which is expected to be collected from transferring control of goods and services to customers. Revenue from sales of goods is recognized at the point of retail sale (or of sale or fob shipping point or fob destination). Revenue from the provision of services is primarily recognized over time ratably as the services are performed. For the year ended September 30, 2022, revenue recognized at the point of sale and as services are performed totaled \$292,771. Bad debt expense for the year ended September 30, 2022 totaled \$0.

**Donated Services**

No amounts have been reflected in the financial statements for donated services. Alcovy pays for most services requiring specific expertise. However, volunteers donated between 3,000 and 4,000 hours of their time to assist the organization in meeting its mission.

**Income Tax Status**

Alcovy is a not-for-profit organization exempt from federal income taxes under Internal Revenue Code Section 501 (c) 3. Accordingly, no provision for federal income taxes has been made.

**ALCOVY CASA, INC**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 2 – DEPRECIABLE ASSETS**

Depreciable assets at September 30, 2022 consisted of the following:

Equipment	\$	5,500
Accumulated Depreciation		<u>(5,500)</u>
	\$	<u>0</u>
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**NOTE 3 – GRANT PERIOD**

Alcovy entered into a contract with the Georgia Criminal Justice Coordinating Council in the amount of \$115,138 with a Grant period of October 1, 2021 to September 30, 2022. The contract is a reimbursement type contract paid quarterly.

Alcovy entered into a contract with the Georgia Criminal Justice Coordinating Council through the Coronavirus Emergency Relief Funds in the amount of \$ 28,785 with a grant period of October 1, 2021 to September 30,2022. The contract is a reimbursement type contract paid quarterly.

**NOTE 4 – EFFECT OF CURRENT ECONOMIC CONDITIONS ON CONTRIBUTIONS**

Alcovy depends heavily on contributions, grants and contracts for services for its revenue. The ability of Alcovy contributors, grantors, and government contractors to continue giving amounts comparable with prior years may depend on current and future overall economic conditions along with the continued deductibility for income tax purposes of contributions and grants to the organization. While the Board of Directors believes that Alcovy has the resources to continue its programs and services, its ability to do so along with the extent to which it can provide services may depend on the previously mentioned factors.

**NOTE 5 –METHODS USED FOR ALLOCATION OF EXPENSES**

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. These expenses can be allocated based on estimates of time and effort or the nature of the expense.

**ALCOVY CASA, INC**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 6 – CASH MANAGEMENT**

The Organization has \$ 131,861 of financial assets available within 1 year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$ 117,663 and accounts receivable of \$ 14,198. Of these assets none are subject to donor or other contractual restrictions. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**NOTE 7- SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through April 27, 2023 which is the date the financial statements are available to be issued. As of this date, there are no material subsequent events requiring adjustment to or disclosure in the financial statements for the year ended September 30, 2022.