

CHILDREN FIRST, INC.
FINANCIAL REPORT
SEPTEMBER 30, 2023 AND 2022

CHILDREN FIRST, INC.

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ROBERT BAKER
& ASSOCIATES, CPAs

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
Children First, Inc.
Athens, Georgia

Opinion

We have audited the accompanying financial statements of Children First, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2023 and 2022, and the related 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 Children First, Inc. 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 audits 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 Financial Statements section of our report. We are required to be independent of Children First, 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 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 Children First, 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 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 judgement 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 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 Children First, 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 Children First, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of State Contractual Assistance on page 15, is presented for purposes of additional analysis and is 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 State Contractual Assistance is 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 August 30, 2024, on our consideration of Children First, Inc.'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 Children First, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering Children First, Inc.'s internal control over financial reporting and compliance.

ROBERT BAKER & ASSOCIATES, CPAs


Albany, Georgia
August 30, 2024

CHILDREN FIRST, INC.

STATEMENTS OF FINANCIAL POSITION

September 30, 2023 and 2022

ASSETS

	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 9,640	\$ 174,361
Government Grants Receivable	114,789	39,586
Other Grants Receivable	7,667	23,903
Investments	124,836	121,124
Total Current Assets	<u>\$ 256,932</u>	<u>\$ 358,974</u>
PROPERTY & EQUIPMENT, NET	<u>\$ 193,615</u>	<u>\$ 202,892</u>
TOTAL ASSETS	<u><u>\$ 450,547</u></u>	<u><u>\$ 561,866</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	\$ 17,165	\$ 11,195
Accrued Expenses	807	2,100
Current Maturities of Long-Term Debt	85,597	9,308
Total Current Liabilities	<u>\$ 103,569</u>	<u>\$ 22,603</u>
LONG-TERM DEBT	<u>\$ -</u>	<u>\$ 82,550</u>
TOTAL LIABILITIES	<u>\$ 103,569</u>	<u>\$ 105,153</u>
NET ASSETS		
Without Donor Restrictions	<u>\$ 346,978</u>	<u>\$ 456,713</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 450,547</u></u>	<u><u>\$ 561,866</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

CHILDREN FIRST, INC.

STATEMENTS OF ACTIVITIES

For the Fiscal Years Ended September 30, 2023 and 2022

	WITHOUT DONOR RESTRICTIONS	
	2023	2022
REVENUES		
Donations	\$ 131,640	\$ 185,255
Fundraising	19,158	2,600
Government Grants	492,544	528,731
Other Grants	75,543	25,561
Other Income	3,409	3,469
	<u>722,294</u>	<u>745,616</u>
TOTAL REVENUES	\$ 722,294	\$ 745,616
EXPENDITURES		
Program Expenditures	\$ 757,207	\$ 640,749
Supporting Expenditures:		
Fundraising	\$ 43,488	\$ 33,623
Administrative	41,161	38,532
Total Supporting Expenditures	<u>84,649</u>	<u>72,155</u>
	<u>841,856</u>	<u>712,904</u>
TOTAL EXPENDITURES	\$ 841,856	\$ 712,904
NON-OPERATING ACTIVITIES		
Change in Fair Value of Investments	\$ 9,827	\$ (32,742)
	<u>(109,735)</u>	<u>(30)</u>
INCREASE (DECREASE) IN NET ASSETS	\$ (109,735)	\$ (30)
NET ASSETS - BEGINNING OF YEAR	<u>456,713</u>	<u>456,743</u>
NET ASSETS - END OF YEAR	<u>\$ 346,978</u>	<u>\$ 456,713</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

CHILDREN FIRST, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

For the Fiscal Year Ended September 30, 2023

	PROGRAM SERVICES	SUPPORT SERVICES			TOTAL EXPENSES
		FUND- RAISING	ADMINI- STRATIVE	TOTAL	
Salaries and Related Expenses:					
Salaries	\$ 454,041	\$ 6,951	\$ 27,803	\$ 34,754	\$ 488,795
Payroll Taxes	37,128	568	2,273	2,841	39,969
Health Insurance	75,915	1,162	4,649	5,811	81,726
Retirement	8,728	134	535	669	9,397
Total Salaries and Related Expenses	<u>\$ 575,812</u>	<u>\$ 8,815</u>	<u>\$ 35,260</u>	<u>\$ 44,075</u>	<u>\$ 619,887</u>
Other Expenses:					
Bank Charges	\$ 498	\$ -	\$ 55	\$ 55	\$ 553
Computer and Software	5,811	-	646	646	6,457
Depreciation Expense	10,415	-	5,200	5,200	15,615
Dues and Subscriptions	2,577	-	-	-	2,577
Fundraising	-	15,594	-	15,594	15,594
Insurance	10,514	-	-	-	10,514
Interest Expense	4,901	-	-	-	4,901
Marketing	-	19,079	-	19,079	19,079
Miscellaneous	5,070	-	-	-	5,070
Office Expense	21,427	-	-	-	21,427
Postage	1,871	-	-	-	1,871
Printing	2,212	-	-	-	2,212
Professional Fees	22,600	-	-	-	22,600
Program Expenses	25,963	-	-	-	25,963
Repairs & Maintenance	9,721	-	-	-	9,721
Staff Appreciation	2,174	-	-	-	2,174
Taxes and Licenses	20	-	-	-	20
Telephone and Internet	7,829	-	-	-	7,829
Training	9,012	-	-	-	9,012
Travel	6,260	-	-	-	6,260
Utilities	10,899	-	-	-	10,899
Vehicle Expense	5,719	-	-	-	5,719
Volunteer Expenses	2,181	-	-	-	2,181
Other Operating Expenses	11,221	-	-	-	11,221
Intern Stipends	2,500	-	-	-	2,500
Total Other Expenses	<u>\$ 181,395</u>	<u>\$ 34,673</u>	<u>\$ 5,901</u>	<u>\$ 40,574</u>	<u>\$ 221,969</u>
TOTAL EXPENSES	<u>\$ 757,207</u>	<u>\$ 43,488</u>	<u>\$ 41,161</u>	<u>\$ 84,649</u>	<u>\$ 841,856</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

CHILDREN FIRST, INC.

STATEMENTS OF FUNCTIONAL EXPENSES - CONTINUED

For the Fiscal Year Ended September 30, 2022

	PROGRAM SERVICES	SUPPORT SERVICES			TOTAL EXPENSES
		FUND- RAISING	ADMINI- STRATIVE	TOTAL	
Salaries and Related Expenses:					
Salaries	\$ 430,677	\$ 6,951	\$ 27,803	\$ 34,754	\$ 465,431
Payroll Taxes	32,978	532	2,129	2,661	35,639
Health Insurance	60,995	984	3,938	4,922	65,917
Retirement	9,551	154	617	771	10,322
Total Salaries and Related Expenses	<u>\$ 534,201</u>	<u>\$ 8,621</u>	<u>\$ 34,487</u>	<u>\$ 43,108</u>	<u>\$ 577,309</u>
Other Expenses:					
Bank Charges	\$ 60	\$ -	\$ 7	\$ 7	\$ 67
Contracts	171	-	-	-	171
Depreciation Expense	8,089	-	4,038	4,038	12,127
Dues and Subscriptions	1,024	-	-	-	1,024
Fundraising	-	6,592	-	6,592	6,592
Insurance	10,273	-	-	-	10,273
Interest Expense	4,686	-	-	-	4,686
Marketing	-	18,410	-	18,410	18,410
Miscellaneous	3,676	-	-	-	3,676
Office Expense	6,859	-	-	-	6,859
Postage	753	-	-	-	753
Printing	749	-	-	-	749
Professional Fees	5,375	-	-	-	5,375
Program Expenses	25,177	-	-	-	25,177
Repairs & Maintenance	7,325	-	-	-	7,325
Staff Appreciation	753	-	-	-	753
Taxes and Licenses	105	-	-	-	105
Telephone and Internet	4,445	-	-	-	4,445
Training	13,948	-	-	-	13,948
Travel	3,391	-	-	-	3,391
Utilities	7,542	-	-	-	7,542
Vehicle Expense	1,673	-	-	-	1,673
Volunteer Expenses	440	-	-	-	440
Website Hosting	34	-	-	-	34
Total Other Expenses	<u>\$ 106,548</u>	<u>\$ 25,002</u>	<u>\$ 4,045</u>	<u>\$ 29,047</u>	<u>\$ 135,595</u>
TOTAL EXPENSES	<u>\$ 640,749</u>	<u>\$ 33,623</u>	<u>\$ 38,532</u>	<u>\$ 72,155</u>	<u>\$ 712,904</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

CHILDREN FIRST, INC.

STATEMENTS OF CASH FLOWS

For the Fiscal Years Ended September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
RECONCILIATION OF CHANGES IN NET ASSETS TO NET CASH		
USED IN OPERATING ACTIVITIES:		
Change in Net Assets	\$ (109,735)	\$ (30)
Adjustments to Reconcile Change in Net Assets to		
Cash Provided by Operating Activities:		
Depreciation	15,615	12,127
Change in the Fair Value of Investments	(3,712)	32,742
Changes in Assets and Liabilities:		
(Increase) Decrease in Grants Receivable	(75,203)	33,169
(Increase) Decrease in Accounts Receivable	16,236	(11,468)
Increase in Accounts Payable	5,970	3,111
Decrease in Accrued Expenses	(1,293)	(392)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ (152,122)</u>	<u>\$ 69,259</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Equipment	\$ (6,338)	\$ (27,586)
NET CASH USED IN INVESTING ACTIVITIES	<u>\$ (6,338)</u>	<u>\$ (27,586)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principle Payments	\$ (6,261)	\$ (8,983)
NET CASH USED IN FINANCING ACTIVITIES	<u>\$ (6,261)</u>	<u>\$ (8,983)</u>
NET INCREASE (DECREASE) IN CASH	\$ (164,721)	\$ 32,690
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>174,361</u>	<u>141,671</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 9,640</u>	<u>\$ 174,361</u>
NOTES TO THE STATEMENTS OF CASH FLOWS:		
Cash Paid for Interest	<u>\$ 4,901</u>	<u>\$ 4,686</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

CHILDREN FIRST, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Children First, Inc. is a Georgia Not-For-Profit corporation. The Organization is located in Athens, Georgia and operates primarily in the Athens and Oconee County, Georgia areas. The Organization assists families in crisis through five (5) different programs: Athens-Oconee CASA (Court Appointed Special Advocates), Family Time Community Visitation, SPARC (Supportive Parenting and Access Resource Center), Guardians for Children, and Safe Care. Children First, Inc. engages families in the community and the courts to promote safe, stable and nurturing living environments for children by providing trained volunteer advocates to children in foster care, as well as supervised visitation, therapeutic and practical parenting, life skills, and other assistance to families dealing with Georgia's child welfare system. The major sources of funds of the Organization are government grants.

BASIS OF ACCOUNTING

The financial statements of the Organization have been prepared on the accrual basis of accounting and, conform to accounting principles generally accepted in the United States of America.

FINANCIAL STATEMENT PRESENTATION

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") No. 958, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC No. 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets.

NET ASSETS

Net assets, revenues, gains and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor- (or certain grantor) imposed restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve, and board-designated endowment.

Net Assets With Donor Restrictions - Net assets subject to donor- (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. We report contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, 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 consolidated statements of activities as net assets released from restrictions. We report conditional contributions restricted by donors as increases in net assets without donor restrictions if the restrictions and conditions expire simultaneously in the reporting period. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received, and released from restrictions when the assets are placed in service.

Earnings related to restricted net assets will be included in net assets without donor-restrictions unless otherwise specifically required to be included in donor-restricted net assets by the donor or by applicable state law.

CHILDREN FIRST, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

CASH AND CASH EQUIVALENTS

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Custodial credit risk-deposits - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Organization will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of December 31, 2023 and 2022, the Organization had no amounts exposed to custodial credit risk as uninsured.

INVESTMENTS

The Organization follows the FASB ASC 958, *Not-For-Profit Entities*, which establishes external reporting standards for not-for-profit organizations. Standards for accounting for investments in equity securities and debt instruments are contained in FASB ASC 958-320, *Investments-Debt and Equity Securities*. Investments are stated at fair value. The fair value of debt securities and marketable equity securities are based on quoted market prices at the date of the financial statements. The investments are subject to various risks such as interest rate, credit and overall market volatility, which may substantially affect the value of the investments. Investments are stated at their current market value at September 30, 2023 and 2022. Interest and dividend income of \$2,122, investment fees of \$2,460, realized losses of \$1,829, and unrealized gains of \$11,994 are included in Change in Fair Value of Investments on the Statement of Activities. The underlying assets included in the Organization's investments are mutual funds and considered Level 1 investments.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Organization adopted the provisions of FASB ASC 820, *Fair Value Measurements and Disclosure*. FASB ASC 820 defines fair value and establishes a hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets that may include quoted prices for similar assets or liabilities or other inputs which are corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

PROPERTY AND EQUIPMENT

Expenditures for property and equipment are capitalized at cost. Property and equipment are depreciated using the straight-line method. Maintenance and repairs are charged to expenses as incurred. Renewals and betterments, with historical cost greater than \$1,000, which materially increase the value of the property, are capitalized. Depreciation is computed using the straight-line method over the following estimated useful lives:

Building and Improvements	40 years
Furniture and Equipment	5-7 years
Vehicles	5 years

CHILDREN FIRST, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

CONTRIBUTIONS

Transactions where the resource providers often receive value indirectly by providing a societal benefit, although the societal benefit is not considered to be of commensurate value, are deemed to be contributions. Contributions are classified as either conditional or unconditional. A conditional contribution is a transaction where the Organization has to overcome a barrier or hurdle to be entitled to the resource and the resource provider is released from the obligation to fund, or has the right of return of any advanced funding, if the Organization fails to overcome the barrier. The Organization recognizes the contribution revenue upon overcoming the barrier or hurdle. Any funding received prior to overcoming the barrier is recognized as a refundable advance. Unconditional contributions are recognized as revenue and receivable when the commitment to contribute is received. Unconditional contributions are recorded as either with donor restriction or without donor restriction. Contributions are recognized as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated asset. Contributions received with no donor stipulations are recorded as contributions without donor restrictions.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and are reported in the statement of activities as net assets released from restriction. Donor-restricted contributions whose restrictions expire during the same fiscal year are recognized as contributions without donor restrictions.

MANAGEMENT ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires managements 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.

PROMISES TO GIVE

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

GRANT REVENUE RECOGNITION

Grant and contract agreement funds are received on a scheduled basis or a cost reimbursement basis. Funds received on a scheduled basis are recognized as revenue when received. Grant and contract funds received on a cost reimbursement basis are recognized as revenue when the related expenses are invoiced to the grantor. Management's experience with the grant administration agencies has shown there is no need for an allowance for doubtful accounts. Therefore, no allowance for doubtful accounts is recorded on the Statement of Financial Position.

CHILDREN FIRST, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

INCOME TAXES

The Organization's activities are generally exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Since the Organization is exempt from federal and state income tax liability, no provision is made for current or deferred income tax expense.

Income tax benefits are recognized for income tax positions taken, or expected to be taken, in a tax return only when it is determined that the income tax position will more likely than not be sustained upon examination by taxing authorities. The Organization has analyzed its tax positions taken for filings with the Internal Revenue Service. The Organization believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial condition, results in operations, or cash flows. Accordingly, the Organization has not recorded any tax assets or liabilities, or related accruals for interest and penalties for uncertain income tax positions at September 30, 2023. The Organization would recognize interest and penalties, if any, related to unrecognized tax benefits in interest expense.

All tax-exempt entities are subject to review and audit by federal, state and other applicable agencies. Such agencies may review the taxability of unrelated business income, or the qualification of the tax-exempt Organization under the Internal Revenue Code and applicable state statutes. There currently are no audits of the Organization's returns in progress.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

LIQUIDITY INFORMATION

In order to provide information about liquidity, assets have been sequenced according to their nearness to conversion to cash.

RECENT ACCOUNTING PRONOUNCEMENTS

In February 2016, FASB issued Accounting Standards Update ("ASU") 2016-02, *Leases: Amendments to the FASB Accounting Standards Codification*, which amends the existing guidance on accounting for leases. This ASU requires the recognition of right of use intangible lease assets and lease payables on the consolidated statement of financial position and disclosure of key information about leasing arrangements in the notes to the financial statements.

For the year ended September 30, 2023, the Organization adopted ASU 2016-02 using the modified retrospective approach, which had no effect on net assets or the change in net assets for the year ended September 30, 2022. There were no leases requiring recognition under this standard, thus the Organization is not required to make the respective presentation and disclosure requirement enhancements as part of the adoption of ASU 2016-02.

CHILDREN FIRST, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

RECLASSIFICATIONS

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

NOTE 2 - LIQUIDITY

The Organization regularly monitors liquidity required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investment of its funds not required to annual operations. As of September 30, 2023 and 2022, Children First, Inc. has the following financial assets available to meet annual operating needs for the 2023 and 2022 fiscal years as follows:

	<u>2023</u>	<u>2022</u>
Financial Assets at Year End:		
Cash and Cash Equivalents	\$ 9,640	\$ 174,361
Grants and Accounts Receivable	122,456	63,489
Investments	<u>124,836</u>	<u>121,124</u>
Total Financial Assets	<u>\$ 256,932</u>	<u>\$ 358,974</u>

NOTE 3 - GRANTS RECEIVABLE

At September 30, 2023 and 2022, Children First, Inc. has accounts receivable for grants as follows:

	<u>2023</u>	<u>2022</u>
Government Grants:		
Criminal Justice Coordinating Council - CASA	\$ 56,822	\$ 37,384
Criminal Justice Coordinating Council - VOCA	48,967	-
Child Support Enforcement	<u>9,000</u>	<u>2,202</u>
	<u>\$ 114,789</u>	<u>\$ 39,586</u>
Other Grants:		
The University of Georgia	\$ 7,550	\$ -
Athens Therapy Co-Op	117	-
Private Foundations	-	16,153
United Way	<u>-</u>	<u>7,750</u>
	<u>\$ 7,667</u>	<u>\$ 23,903</u>

CHILDREN FIRST, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment activity for the year ending September 30, 2023 and 2022 was as follows:

	September 30, 2022	Additions	Deletions	September 30, 2023
Building and Improvements	\$ 235,800	\$ -	\$ -	\$ 235,800
Furniture and Equipment	83,052	6,338	-	89,390
Vehicles	10,500	-	-	10,500
	<u>\$ 329,352</u>	<u>\$ 6,338</u>	<u>\$ -</u>	<u>\$ 335,690</u>
Accumulated Depreciation	(126,460)	(15,615)	-	(142,075)
Property and Equipment, Net	<u>\$ 202,892</u>	<u>\$ (9,277)</u>	<u>\$ -</u>	<u>\$ 193,615</u>

	September 30, 2021	Additions	Deletions	September 30, 2022
Building and Improvements	\$ 235,800	\$ -	\$ -	\$ 235,800
Furniture and Equipment	55,466	27,586	-	83,052
Vehicles	10,500	-	-	10,500
	<u>\$ 301,766</u>	<u>\$ 27,586</u>	<u>\$ -</u>	<u>\$ 329,352</u>
Accumulated Depreciation	(114,333)	(12,127)	-	(126,460)
Property and Equipment, Net	<u>\$ 187,433</u>	<u>\$ 15,459</u>	<u>\$ -</u>	<u>\$ 202,892</u>

NOTE 5 - LONG-TERM DEBT

Long-term debt consists of the following as of September 30, 2023 and 2022:

	2023	2022
Note payable to First American Bank, due in monthly installments of \$1,128, interest at 4.75%, matures on June 21, 2024, collateralized by real estate.	\$ 85,597	\$ 91,858
Less: Current Maturities	<u>(85,597)</u>	<u>(9,308)</u>
TOTAL	<u>\$ -</u>	<u>\$ 82,550</u>

The following is a summary of maturity of long-term debt for the years ended September 30,:

2024	<u>\$ 85,597</u>
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CHILDREN FIRST, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 - RETIREMENT PLAN

The agency provides a simple IRA retirement plan for its employees. The agency matches employee contributions from 1% to 3% of salary each calendar year. Matching contributions for the years ended September 30, 2023 and 2022 totaled \$9,397 and \$10,322, respectively.

NOTE 7 - CONCENTRATION AND RISKS

The Organization's primary revenue sources are grants from various federal and state agencies. These grants are subject to periodic renewal. It is at least reasonably possible the grant amounts could be reduced or the grant not renewed.

NOTE 8 - SUBSEQUENT EVENT

The Organization has evaluated subsequent events through August 30, 2024, the date on which the financial statements were available to be issued.

In January 2024, the entity changed its legal operating name to Athens Oconee CASA, Inc. The name-change had no impact on the operations of the entity or the clients or populations served.

SUPPLEMENTARY INFORMATION

CHILDREN FIRST, INC.

SCHEDULE OF STATE CONTRACTUAL ASSISTANCE

For The Fiscal Year Ended September 30, 2023

<u>STATE OF GEORGIA PROGRAM/GRANT NUMBER</u>	<u>GRANT PERIOD</u>	<u>PROGRAM/ GRANT AMOUNT</u>	<u>REVENUE RECEIVED DURING FISCAL YEAR</u>	<u>EXPENDITURES DURING FISCAL YEAR</u>	<u>DUE (TO) FROM AT END OF FISCAL YEAR</u>
Criminal Justice Coordinating Council:					
CASA # C21-8-039	10/1/2022 To 9/30/2023	\$ 110,000	\$ 53,178	\$ 110,000	\$ 56,822
VOCA - ARPA # X50-8-142	10/1/2022 To 9/30/2023	\$ 112,648	\$ 63,502	\$ 112,469	\$ 48,967
Georgia Department of Human Services:					
PSSF - CASA #42700-040C-PSSF-23-027	10/1/2022 To 9/30/2023	\$ 73,151	\$ 72,925	\$ 72,925	\$ -
PSSF - SafeCare #42700-040C-PSSF-23-028	10/1/2022 To 9/30/2023	\$ 74,996	\$ 53,969	\$ 53,969	\$ -
Child Support Enforcement #42700-401-0000107620	10/1/2022 To 9/30/2023	\$ 86,400	\$ 72,350	\$ 81,350	\$ 9,000
Court Appointed Special Advocates	10/1/2022 To 9/30/2023	\$ 61,831	\$ 61,831	\$ 61,831	\$ -
		<u>\$ 519,026</u>	<u>\$ 377,755</u>	<u>\$ 492,544</u>	<u>\$ 114,789</u>

OTHER REPORTS



ROBERT BAKER
& ASSOCIATES, CPAs

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 First, Inc.
Athens, Georgia

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 First, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023, and the related 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 August 30, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Children First, Inc.'s internal control over financial reporting (internal control) to determine the 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 Children First, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness on the Organization'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 Organization'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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2023-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Children First, Inc.'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 determination of financial statement amounts. 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*.

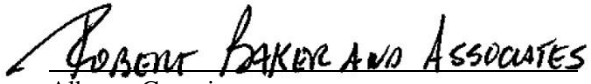
Children First, Inc.'s Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on Children First, Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Children First, Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ROBERT BAKER & ASSOCIATES, CPAs

A handwritten signature in black ink that reads "ROBERT BAKER AND ASSOCIATES". The signature is written in a cursive, slightly slanted style.

Albany, Georgia
August 30, 2024

CHILDREN FIRST, INC.

SCHEDULE OF FINDINGS AND RESPONSES

For the Fiscal Year Ended September 30, 2023

SIGNIFICANT DEFICIENCIES

Auditor's Reference
Number

2023-001 General Ledger Account Reconciliation, Review and Adjustment

Criteria:

General Ledger account reconciliation, review, and adjustments should be performed for all accounts in order for the financial statements to be properly stated as of September 30, 2023.

Condition:

For the fiscal year ended September 30, 2023, general ledger adjustments were necessary to properly record grants receivable, investments, revenues, and expenses to the proper general ledger accounts.

Cause:

For the fiscal year ended September 30, 2023, the Organization did not properly reconcile, review, and adjust grants receivable, investments, revenues, and expenses to the proper general ledger accounts prior to the start of the audit fieldwork.

Effect:

For the fiscal year ended September 30, 2023, material adjustments were required to properly record grants receivable, investments, revenues, and expenses to the proper general ledger accounts.

Recommendations:

We recommend that proper internal controls be put in place to ensure that accounts are properly reconciled in a timely manner as part of the year-end close-out process, and prior to the start of the audit fieldwork.

View of Responsible Officials and Planned Corrective Actions:

Management agrees with the auditor's recommendation and has developed an action plan to ensure that these controls are in place.

CHILDREN FIRST, INC.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Fiscal Year Ended September 30, 2023

SIGNIFICANT DEFICIENCIES

Auditor's Reference
Number

-NONE-