

**CHILD AID INTERNATIONAL INC.**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED APRIL 30, 2018 AND 2017**

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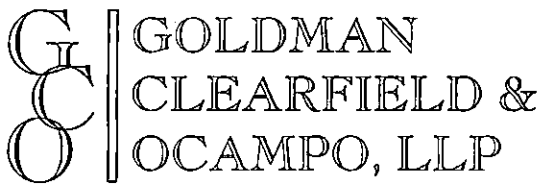
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CERTIFIED PUBLIC ACCOUNTANTS

### INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Child Aid International Inc.  
Salem, MA

We have audited the accompanying financial statements of Child Aid International Inc. (a non-profit organization), which comprise the statements of financial position as of April 30, 2018 and 2017 and the related statements of activities, functional expenses and cash flows for the years then ended, and related notes to the financial statements.

#### **Management's Responsibility 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Child Aid International Inc. as of April 30, 2018 and 2017 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.

*Goldman, Clearfield & Ocampo, LLP.*

Columbia, MD  
November 15, 2018

**CHILD AID INTERNATIONAL INC.  
STATEMENTS OF FINANCIAL POSITION  
APRIL 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Cash	\$ 62,919	\$ 76,180
Accounts Receivable	800	-
Pledges Receivable	20,299	19,818
Program Service Fees Receivable	1,851	4,847
Prepaid Expenses	<u>747</u>	<u>747</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 86,616</u></b>	<b><u>\$ 101,592</u></b>
 <b>LIABILITIES</b>		
Accounts Payable	\$ 4,495	\$ 1,653
Filing Fees Payable	4,050	-
Grants Payable	58,381	68,571
Accrued Expenses	<u>135</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<b><u>67,061</u></b>	<b><u>70,224</u></b>
 <b>NET ASSETS</b>		
Without Donor Restrictions	<u>19,555</u>	<u>31,368</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 86,616</u></b>	<b><u>\$ 101,592</u></b>

The accompanying notes are an integral part of the financial statements.

**CHILD AID INTERNATIONAL INC.  
STATEMENTS OF ACTIVITIES  
YEARS ENDED APRIL 30, 2018 AND 2017**

	<b><u>WITHOUT DONOR RESTRICTIONS</u></b>	
	<b><u>2018</u></b>	<b><u>2017</u></b>
<b>REVENUES AND OTHER SUPPORT</b>		
Contributions	\$ 180,505	\$ 324,927
Program Service Fees	<u>53,825</u>	<u>23,955</u>
<b>TOTAL REVENUES AND OTHER SUPPORT</b>	<u>234,330</u>	<u>348,882</u>
<b>EXPENSES</b>		
Management	7,740	11,608
Program	<u>238,403</u>	<u>346,323</u>
<b>TOTAL EXPENSES</b>	<u>246,143</u>	<u>357,931</u>
<b>DECREASE IN NET ASSETS</b>	(11,813)	(9,049)
<b>NET ASSETS - BEGINNING</b>	<u>31,368</u>	<u>40,417</u>
<b>NET ASSETS - ENDING</b>	<u>\$ 19,555</u>	<u>\$ 31,368</u>

The accompanying notes are an integral part of the financial statements.

**CHILD AID INTERNATIONAL INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEARS ENDED APRIL 30, 2018 AND 2017**

	<b>2018</b>		
	<u>MANAGEMENT</u>	<u>PROGRAM</u>	<u>TOTAL</u>
Filing Fees	\$ -	\$ 47,365	\$ 47,365
Grants	-	160,438	160,438
Insurance	815	-	815
Office Expense	-	-	-
Professional Fees	3,525	-	3,525
Support Services	3,400	30,600	34,000
Travel	-	-	-
	<u>\$ 7,740</u>	<u>\$ 238,403</u>	<u>\$ 246,143</u>

	<b>2017</b>		
	<u>MANAGEMENT</u>	<u>PROGRAM</u>	<u>TOTAL</u>
Filing Fees	\$ -	\$ 11,009	\$ 11,009
Grants	-	276,989	276,989
Insurance	755	-	755
Office Expense	111	-	111
Professional Fees	3,525	-	3,525
Support Services	6,481	58,325	64,806
Travel	736	-	736
	<u>\$ 11,608</u>	<u>\$ 346,323</u>	<u>\$ 357,931</u>

The accompanying notes are an integral part of the financial statements.

**CHILD AID INTERNATIONAL INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED APRIL 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Decrease in Net Assets	\$ (11,813)	\$ (9,049)
Adjustments to Reconcile Changes in Net Assets to Net Cash Used by Operating Activities:		
(Increase) Decrease in:		
Accounts Receivable	(800)	-
Pledges Receivable	(481)	(6,584)
Prepaid Expenses	-	496
Program Service Fees Receivable	2,996	(60)
Increase (Decrease) in:		
Accounts Payable	2,842	1,565
Filing Fees Payable	4,050	-
Grants Payable	(10,190)	8,147
Accrued Expenses	<u>135</u>	<u>-</u>
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<u>(13,261)</u>	<u>(5,485)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(13,261)	(5,485)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>76,180</u>	<u>81,665</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 62,919</u>	<u>\$ 76,180</u>

The accompanying notes are an integral part of the financial statements.

**CHILD AID INTERNATIONAL INC.  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2018 AND 2017**

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

**Organization:**

Child Aid International Inc. was incorporated under the laws of Maryland as a non-profit organization and is exempt from income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code.

The Organization's primary purpose is to assist other tax exempt organizations in participating in workplace fundraising drives such as the U.S. Government's Combined Federal Campaign. The Organization screens applications for such drives, assists with the transfer of funds from donors to the benefiting groups, educates the staff and volunteers of these groups so that they better understand workplace giving programs, and assists in the marketing of such groups to potential donors.

**Income Taxes:**

The Organization's Return of Organization Exempt from Income Tax (Form 990) for the years ended April 30, 2018, 2017 and 2016 are subject to examination, generally, for three years after they were filed.

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Organization does not have any income from unrelated business activities. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

**Subsequent Events:**

In the normal course of preparing the Organization's financial statements, management reviews events that occur after the statement of financial position dated April 30, 2018 for potential recognition or disclosure in the financial statements. Management has evaluated subsequent events through November 15, 2018, which is the date the financial statements were available to be issued.

**Method of Accounting:**

The Organization's financial statements have been prepared on the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses 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.

**The accompanying notes are an integral part of the financial statements.**



**CHILD AID INTERNATIONAL INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2018 AND 2017**  
**(CONTINUED)**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents:

For the 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.

Reclassifications:

Certain prior year amounts have been reclassified to conform to the current year presentation.

Pledges Receivable:

Pledges Receivable have been reviewed by management and considered fully collectible.

Financial Statement Presentation:

The net assets of the Organization and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of Child Aid International, Inc.’s management and board of directors.

*Net Assets With Donor Restrictions* – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Child Aid International, Inc. or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

New Accounting Pronouncement:

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. Child Aid International, Inc. has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

The accompanying notes are an integral part of the financial statements.

**CHILD AID INTERNATIONAL INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2018 AND 2017**  
**(CONTINUED)**

**NOTE B – AVAILABILITY AND LIQUIDITY**

As of April 30, 2018, Child Aid International, Inc. has \$85,869 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure, consisting of cash of \$62,919, pledges receivable of \$20,299 and other receivables totaling \$2,651. As of April 30, 2017, Child Aid International, Inc. has \$100,845 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure, consisting of cash of \$76,180, pledges receivable of \$19,818 and other receivables totaling \$4,847. None of the financial assets is subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The receivables are subject to implied time restrictions but are expected to be collected within one year. Child Aid International Inc.'s goal is generally to maintain financial assets to meet 30 days' worth of operating expenses.

**NOTE C – FUNCTIONAL EXPENSES**

The cost of providing program and other activities have been summarized on a functional basis in the statement of activities. Certain costs have been allocated among management and program services benefited. Such allocations are determined by management on an equitable basis.

**NOTE D – DISTRIBUTIONS TO MEMBER CHARITIES**

The Organization distributes to each member charity a percentage of the actual receipts proportionate to the designations donors made to that member charity.

**The accompanying notes are an integral part of the financial statements.**