

CITIZENS AGAINST PHYSICAL, SEXUAL,
AND EMOTIONAL ABUSE, INC.

Ridgway, Pennsylvania

INDEPENDENT ACCOUNTANTS' REVIEW REPORT
AND FINANCIAL STATEMENTS

Year Ended June 30, 2017

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SHARKEY PICCIRILLO & KEEN, LLP

CERTIFIED PUBLIC ACCOUNTANTS

DuBois, Pennsylvania 15801

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of
Citizens Against Physical, Sexual, and Emotional Abuse, Inc.

We have reviewed the accompanying financial statements of the Citizens Against Physical, Sexual, and Emotional Abuse, Inc. (CAPSEA) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Sharkey Piccirillo & Keen, LLP

SHARKEY PICCIRILLO & KEEN, LLP
October 26, 2017

CITIZENS AGAINST PHYSICAL, SEXUAL, AND EMOTIONAL ABUSE, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2017

ASSETS

Current Assets:	
Cash	\$ 299,754
Accounts receivable	124,275
Prepaid expenses	809
Investments - endowment fund	40,601
Total Current Assets	<u>465,439</u>
Property and Equipment:	
Land	10,000
Building	123,634
Building improvements	128,454
Equipment	69,498
Accumulated depreciation	(202,115)
Total Property and Equipment	<u>129,471</u>
Total Assets	<u>\$ 594,910</u>

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts payable	\$ <u>268</u>
Net Assets:	
Unrestricted	566,362
Temporarily Restricted	28,280
Total Net Assets	<u>594,642</u>
Total Liabilities and Net Assets	<u>\$ 594,910</u>

See accompanying notes and Independent Accountants' Review Report.

CITIZENS AGAINST PHYSICAL, SEXUAL, AND EMOTIONAL ABUSE, INC.

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and Revenue:				
Public Support:				
Donations from general public	\$ 29,179	\$ -	\$ -	\$ 29,179
Local grants	32,402	9,000	-	41,402
Contributed services	62,665	-	-	62,665
Total Public Support	<u>124,246</u>	<u>9,000</u>	<u>-</u>	<u>133,246</u>
Government Contributions and Grants:				
PA Coalition Against Domestic Violence (PCADV)	186,871	-	-	186,871
PA Coalition Against Rape (PCAR)	118,022	-	-	118,022
VOCA Federal Income (Elk and Cameron Counties)	164,012	-	-	164,012
Family Group Decision Making (FGDM)	60,500	-	-	60,500
Act 96 income (RASA)	63,307	-	-	63,307
SHP - HUD McKinney	123,405	-	-	123,405
Other	85,033	19,280	-	104,313
Total Government Contributions and Grants	<u>801,150</u>	<u>19,280</u>	<u>-</u>	<u>820,430</u>
Other Revenue:				
Investment return	4,074	-	-	4,074
Fundraising income	5,893	-	-	5,893
Miscellaneous income	46	-	-	46
Total Other Revenue	<u>10,013</u>	<u>-</u>	<u>-</u>	<u>10,013</u>
Net assets released from restrictions	<u>4,682</u>	<u>(4,682)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>940,091</u>	<u>23,598</u>	<u>-</u>	<u>963,689</u>
Expenses:				
Program services	840,154	-	-	840,154
Management and general	51,233	-	-	51,233
Fundraising	1,269	-	-	1,269
Total Expenses	<u>892,656</u>	<u>-</u>	<u>-</u>	<u>892,656</u>
Increase in Net Assets	47,435	23,598	-	71,033
Net Assets - Beginning of Year	<u>518,927</u>	<u>4,682</u>	<u>-</u>	<u>523,609</u>
Net Assets - End of Year	<u>\$ 566,362</u>	<u>\$ 28,280</u>	<u>\$ -</u>	<u>\$ 594,642</u>

See accompanying notes and Independent Accountants' Review Report.

CITIZENS AGAINST PHYSICAL, SEXUAL, AND EMOTIONAL ABUSE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2017

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Expenses:				
Salaries and wages	\$ 463,229	\$ 42,267	\$ 332	\$ 505,828
Employee benefits and payroll taxes	87,374	6,762	-	94,136
Supplies	8,649	425	-	9,074
Telephone	10,327	425	-	10,752
Postage and shipping	759	15	-	774
Occupancy	25,904	878	-	26,782
Equipment rental and maintenance	346	-	-	346
Printing and publications	10,802	-	-	10,802
Travel	4,554	461	-	5,015
Conferences and meetings	60	-	-	60
Building repairs and maintenance	1,638	-	-	1,638
Depreciation	18,648	-	-	18,648
Consultant fees	6,445	-	-	6,445
Insurance	10,041	-	-	10,041
Dues and memberships	635	-	-	635
Advertising	1,464	-	-	1,464
Housekeeping supplies	471	-	-	471
Food	667	-	-	667
Administrative costs	5,378	-	-	5,378
Rental assistance	100,260	-	-	100,260
Books and subscriptions	6,252	-	-	6,252
Fundraising expense	-	-	937	937
Other expenses	13,586	-	-	13,586
Contributed services	62,665	-	-	62,665
Total Expenses	<u>\$ 840,154</u>	<u>\$ 51,233</u>	<u>\$ 1,269</u>	<u>\$ 892,656</u>

See accompanying notes and Independent Accountants' Review Report.

CITIZENS AGAINST PHYSICAL, SEXUAL, AND EMOTIONAL ABUSE, INC.

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2017

Cash Flows from Operating Activities:	
Increase in net assets	\$ 71,033
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	18,648
Net realized and unrealized gains and losses on investments	(3,397)
Increase in:	
Accounts receivable	(45,694)
Decrease in:	
Accounts payable	(1,471)
Net Cash Provided by Operating Activities	<u>39,119</u>
Cash Flows from Investing Activities:	
Purchases of property and equipment	(24,229)
Net sales and purchases of investments	(286)
Net Cash Used by Investing Activities	<u>(24,515)</u>
Net Increase in Cash	14,604
Cash - Beginning of Year	<u>285,150</u>
Cash - End of Year	<u>\$ 299,754</u>

See accompanying notes and Independent Accountants' Review Report.

CITIZENS AGAINST PHYSICAL, SEXUAL, AND EMOTIONAL ABUSE, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

The Citizens Against Physical, Sexual, and Emotional Abuse, Inc. (CAPSEA) is a nonprofit corporation formed in 1977 and incorporated in the Commonwealth of Pennsylvania. CAPSEA provides domestic violence crisis intervention, sexual assault protective services, and victim counseling and advocacy services in Elk and Cameron Counties, Pennsylvania. Funding for CAPSEA's activities is derived primarily through various federal and state subgrants as administered by the Pennsylvania Coalition Against Domestic Violence, the Pennsylvania Coalition Against Rape, and the Pennsylvania Commission on Crime and Delinquency. The following accounting policies of CAPSEA are considered significant:

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

In applying the provisions of FASB ASC 958, *Not-for-Profit Entities*, the Organization applies all FASB pronouncements, Accounting Principles Board Opinions, and Accounting Research Bulletins which do not conflict with or contradict FASB pronouncements. Under ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of Estimates

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, CAPSEA considers cash and all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2017.

Accounts Receivable

Accounts receivable represents amounts due from grantor agencies, contributors, and other sources. Management considers all receivables to be fully collectible and accordingly, no allowance for doubtful accounts is reported. If a receivable is determined to be uncollectible, the uncollectible amount is charged to operations in the period that available collection methods are exhausted.

CITIZENS AGAINST PHYSICAL, SEXUAL, AND EMOTIONAL ABUSE, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are stated at fair value in the statement of financial position. Investment gains or losses, including realized and unrealized gains and losses, interest, dividends, and associated investment management fees are reported as changes in unrestricted net assets in the statement of activities.

Property and Equipment

Expenditures for property and equipment in excess of \$300 with estimated useful lives greater than one year are capitalized. Purchased property and equipment are carried at cost, while donated property and equipment are carried at fair value at the date of donation. Depreciation is calculated using the straight-line method and the following estimated useful lives:

Building and improvements	10 to 40 years
Equipment	5 years

Restricted and Unrestricted Revenue

Revenues received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.

Revenues that are donor-restricted are reported as increases in unrestricted net assets if the restrictions expire in the reporting period in which the revenues are recognized. All other donor-restricted revenues are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of support, revenue, and expenses as net assets released from restrictions.

Contributed Services

Contributed services consist of the value of volunteer on-call hotline hours for the operation of the 24-hour hotline. The value is based upon the hours worked and hourly wages paid to hotline specialists. These contributed services are reported as income and expense.

Income Tax Status

CAPSEA is a not-for-profit organization that is exempt from taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes is made in the financial statements.

Cost Allocation Plan

CAPSEA utilizes methods and procedures which allocate costs to various programs, grants, contracts, and agreements. The cost allocation plan complies with the Title 2 U.S. Code of Federal Regulations (CFR) Part 200 (Uniform Guidance).

CITIZENS AGAINST PHYSICAL, SEXUAL, AND EMOTIONAL ABUSE, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2017

NOTE 2 – CASH

CAPSEA maintains cash deposits at one financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2017 the carrying amount of CAPSEA's cash deposits with financial institutions was \$299,724 and the financial institution's balances totaled \$313,421, of which \$63,421 was uninsured.

NOTE 3 – ENDOWMENT FUND AND INVESTMENT RETURN

CAPSEA established an endowment fund with the Elk County Community Foundation (the Foundation) in September 2005 to be used exclusively to support CAPSEA, Inc. as long as it remains charitable, necessary, and possible to accomplish. The fund is the property of the Foundation and is held by it in its normal corporate capacity. The Foundation provides all appropriate accounting and related financial management services associated with the fund. The fund is recorded as a current asset on the Statement of Financial Position with a balance of \$40,601 at June 30, 2017.

Fair values of investments are categorized to give an indication of the level of risk inherent in valuation techniques based on inputs. Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly, and reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Level 3 inputs are unobservable inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The endowment account held by the Elk County Community Foundation is a Level 1 asset. CAPSEA recognizes any transfers into and out of levels at the end of the reporting period. There were no transfers between levels during the year ended June 30, 2017.

The following schedule summarizes the investment return for the year ended June 30, 2017:

	<u>Unrestricted</u>
Interest and dividend income	\$ 1,349
Net realized gains	255
Net unrealized gains	3,141
Investment management fees	<u>(671)</u>
Total investment return	<u>\$ 4,074</u>

CITIZENS AGAINST PHYSICAL, SEXUAL, AND EMOTIONAL ABUSE, INC.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2017

NOTE 4 – PENSION PLAN

CAPSEA participates in a defined contribution 403(b) plan through Principal Financial Group. The plan started on August 1, 2005 with a rollover from a closed Simplified Employee Pension (SEP) Plan. The plan is available to all non-temporary employees after one full year of employment. CAPSEA matches employee contributions up to five percent of their gross compensation, in addition to contributions made from excess grant funds at the end of the fiscal year. For the year ended June 30, 2017, total employer contributions were \$38,776.

NOTE 5 – LITIGATION

CAPSEA has been named as a party in a civil complaint filed with the Pennsylvania Human Relations Commission regarding a claim of wrongful discharge of a former employee. It is estimated that the potential settlement of the claim not covered by insurance would not materially affect CAPSEA's future financial statements.

NOTE 6 – GRANT MATCHING FUNDS

CAPSEA is required to receive and expend certain amounts of community support as matching funds for its PCADV and PCAR funding. For the year ended June 30, 2017 CAPSEA was in full compliance with these matching requirements.

NOTE 7 – SUBSEQUENT EVENTS

Subsequent events were evaluated through October 26, 2017, which is the date the financial statements were available to be issued.